

November

1917

THE

NATION'S BUSINESS



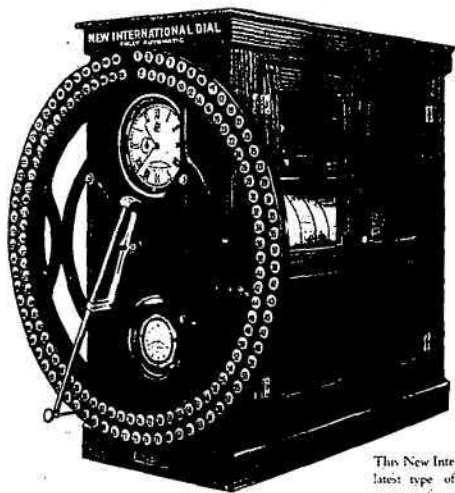
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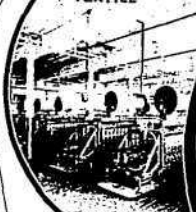
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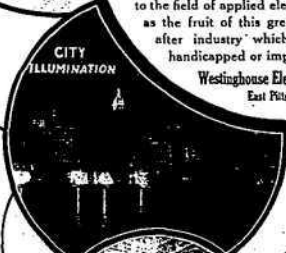
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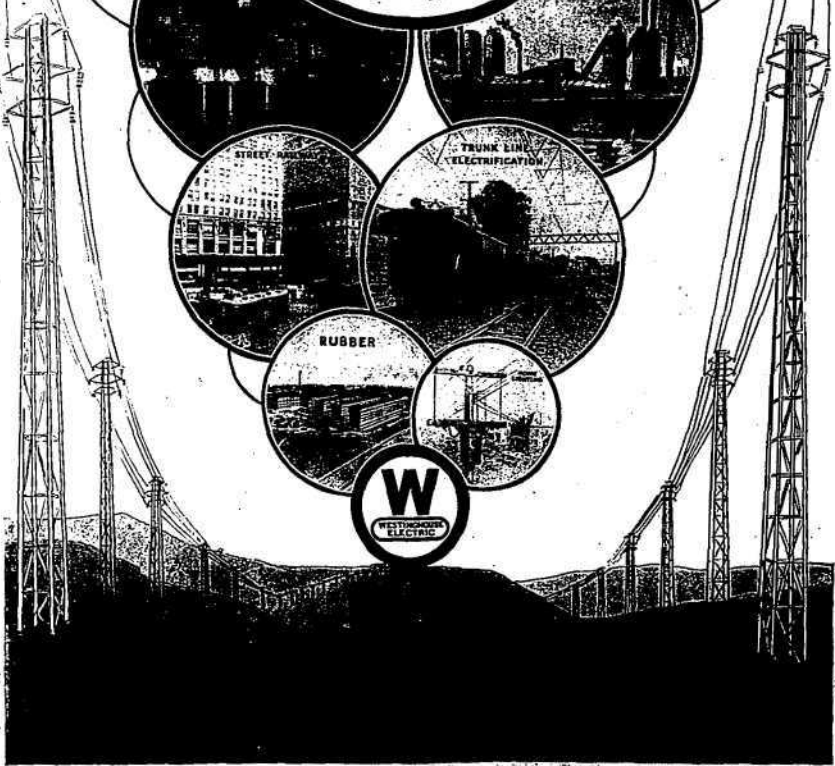
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THE NATION'S BUSINESS

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WASHINGTON, NOVEMBER, 1917

The Periscope of Business



THE application of Periscopes to
armored motor cars for sighting
the Lewis guns is another
example of the great value of the
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success in the present struggle so
largely depends, Cost Accounting,
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proved its real value.

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pensive one. The business of American
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eliminate sources of waste. In short, to pro-
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depends, in the greatest quantity, of the
highest quality, in the shortest time, at the
lowest production cost.

Most cost accounting systems concern
themselves only with the compilation of data
relative to past results, but the methods of
cost accounting introduced by Mr. G. Charter
Harrison provide for predetermined costs as
a mark at which to aim. This form of cost
accounting has proved to be the real *Periscope
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most effective.

The assuring of accurate cost information,
at lowest expense. The securing, through
organized production, of greater output at
lower production cost: such is the service
rendered to premier concerns in many lines by
the group of engineers, production men,
accountants and general organizers, with
which Mr. G. Charter Harrison has sur-
rounded himself.

Remember that Cost Accounting is the
Periscope of Business. Bear in mind that
organized production is the vital factor of
success to-day, and do not forget that each
individual industry has its own peculiar pro-
duction and organization problems.

Remember also that it is to the success-stal
solution of such individual problems, Mr.
Harrison has devoted eighteen years of ex-
tensive service to premier concerns in varied
lines of work.

To American manufacturing concerns who
appreciate that a real knowledge of costs is a
fundamental requirement to-day. Those
officials who realize that every unnecessary
operation wastes the time of a man, and that
the waste of man power is poor economy now,
the service of this organization of trained
industrial specialists is offered for the attain-
ing of organized production with the least
possible change in internal conditions and
without internal friction.

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who through our service have secured a real
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Since Congress Drew the Sword

No Legislative Body in History Has Ever in So Short a Time Appropriated Such Huge Sums and Adopted Such a Driving Program for War

THE BUSINESS SIDE OF A GREAT SESSION

THIS is the season in Washington for writing reports. The chiefs of bureaus, the heads of departments, and the independent commissions will place statements of their activities before Congress when it reassembles on December 3, and into these statements go a deal of thumbing of files and searching of hearts. The annual report exacted of each government official is with us an ancestral institution that mocks those superior people who say a democracy cannot have traditions.

There never was less time in official places for "paper work." Nevertheless, new activities following upon an unprecedented program of new legislation never offered greater possibilities to writers of annual reports. The Interstate Commerce Commission,—enlarged, reorganized, and endowed with some new powers (and withal ensconced in new quarters of such convenience as it never before had in its career of thirty years),—may have something to say about inland water transportation. The Shipping Board which in a matter of months

has grown from a fifty-million-dollar affair with powers it might try in a tentative way to a two-billion-dollar organization that dominates the ocean transportation of the country, has unlimited opportunity to be interesting.

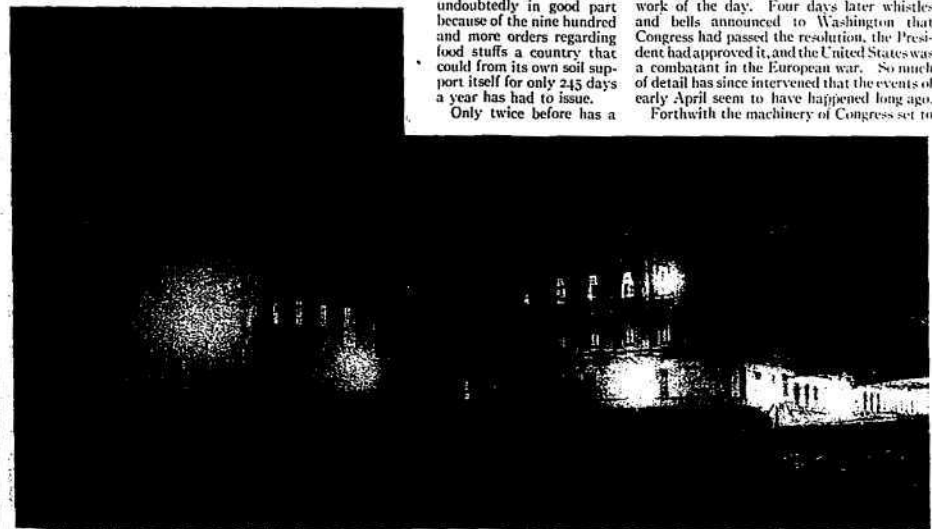
The Federal Trade Commission has a wide range of choice for literary effort. The Tariff Commission may dwell upon the subjects it is investigating, such as tariff readjustments likely to be necessary in consequence of war, inter-trade relations of foreign countries, their economic alliances, their commercial preferences, and the like. The Bureau of Internal Revenue will be a focal point of highly concentrated national interest; it collected half a billion dollars of taxes in the year ended with June, 1916; in the current year it will gather upwards of three billion; and while busily at work as the federal tax-gatherer it will fairly radiate interpretations of law which will set pencils to figuring all over the country. That pencils and war have a connection was demonstrated in Germany last year, when some of the pencil manufacturers reported very good business, undoubtedly in good part because of the nine hundred and more orders regarding food stuffs a country that could from its own soil support itself for only 245 days a year has had to issue.

Only twice before has a

special session of Congress worked continuously longer than the session of April 3-October 6 of this year,—the record-breaking special session that began on April 7, 1913, and the two-hundred-ten-day session of 1789, held in New York.

CONSIDERATION of "grave matters of public policy" was the purpose for which Congress was this year summoned into special session. Meeting at noon on April 2, both Houses had completed their organization by eight o'clock in the evening. At 8:30 they assembled together in the Hall of the House of Representatives. A moment later the President in his automobile crossed the brilliantly lighted plaza in front of the Capitol, passing between ranks of cavalry, and at 8:37 he began his address to Congress, detailing the acts against the rights of the United States which constituted a state of war. At 9:15 the Senate was back in its Chamber, Senate Joint Resolution Number One had been introduced, declaring formally that a state of war existed, and by half past nine both Houses had completed the work of the day. Four days later whistles and bells announced to Washington that Congress had passed the resolution, the President had approved it, and the United States was a combatant in the European war. So much of detail has since intervened that the events of early April seem to have happened long ago.

Forthwith the machinery of Congress set to



QUESTIONS & ANSWERS

The government departments at Washington are not observing eight-hour work days in these stirring times of war, as this night picture of the Treasury shows. A 24-hour day would not seem too long to the average man charged by law, as the Secretary of the Treasury is, with the management of the national finances. That was a task of no mean dimensions when we considered Congress extravagant in the expenditure of a billion dollars a year. This year, between April 3 and October 6, it appropriated nearly \$17,000,000,000, and the job of the Treasury and other departments grew in proportion.

work upon measures for support of war,—creation of new armies, added power for naval forces, appropriations in vast amounts on the one hand and on the other great schemes of taxation and authority to use the nation's credit for the borrowing of billions of dollars, further concentration of our banking power, thus-shalling our resources of food and materials to see that they do not benefit the enemy but place their full weight on our side of the war,—in short, creation of such an organization for war as no European combatant attained in less than two years.

At times there was delay in the program of war legislation; for the Speaker of the House may have been right when he said, on taking the chair, "we are distinct as the billows, yet we are one as the sea." Occasionally, the billows ran pretty high, and threatened to hide the sea. Nevertheless, few measures in the war program were left unfinished, and in December Congress can take up the new questions that may have developed. The special session actually passed 91 public acts. During 1915 the British Parliament passed but 78 general public acts.

Expenditures for War

IN Congress expenditures and revenues have a very important place. The budget of expenditures during the current year which Congress had approved when it adjourned on October 6 was pretty much like Topsy,— "it just grew." Last January the outlay of the federal government this year for all purposes was estimated at \$1,700,000,000. In May, a month after the United States had formally recognized a state of war, it was put at \$8,500,000,000, of which \$5,500,000,000 were for our own expenses and \$3,000,000,000 for credits to be extended to other countries. On October 6 the gross amount, including future appropriations to meet contracts which have been authorized, had reached \$21,300,000,000,—of which \$7,000,000,000 in all are credits to foreign governments. The session of Congress which opened on April 2 and closed on October 6 had actually appropriated \$16,900,000,000 to be paid out of the treasury.

IN the totals there are included loans to other governments, the expenditures for the ordinary activities of the federal government such as the postal service, and some duplications. With allowance for these deductions, and with contracts omitted from the reckoning on the ground that the obligations they entail may be met in a later year, the expenditures of the United States itself this year for its own activities in war would seem to be around \$10,500,000,000. Of course, when Congress meets in the winter it will be asked to increase the war appropriations.

Of the appropriations connected with war approximately one-fourth are for the navy and for meeting warfare on the seas, and three-fourths are devoted to warfare by land and the preparations that are necessary for it.

TO meet the expenditures Congress set about providing funds. The third measure that became law,—the first having been declaration of a state of war and the second a bill which meets some of the expenses incident to service of our troops on the Mexican border,—authorized an issue of \$5,000,000,000 in bonds and \$2,000,000,000 in short-term Treasury certificates of indebtedness. This was the law of April 24, and under it on May 14 the Treasury Department invited subscriptions for \$2,000,000,000, the bonds to pay 3½ per

cent, to be redeemable after 15 years and payable in thirty years.

BEFORE a second issue of bonds was offered, on October 1, the authorization was changed in several particulars, by the War Credits Act of September 24. Further possible issues were increased from \$3,000,000,000 to \$7,000,000,000. The rate of interest was raised from 3½ to 4 per cent. Whereas the first issues by the terms of the law are convertible into bonds of any subsequent loan issued at a higher rate, the conditions of conversion for each subsequent issue were now left to the discretion of the Treasury Department. Instead of the interest being exempt from all taxation, except estate or inheritance taxes, the interest on subsequent issues, except as to the interest on \$5,000 in bonds in the hands of any one holder, was made subject to federal surtaxes on incomes and taxes on excess profits.

The \$3,000,000,000 to \$4,500,000,000 in bonds actually offered on October 1 run from 10 to 25 years. Because these bonds are subject to more federal taxes than the earlier issue, there has been some figuring over comparative values of the two issues to persons who have incomes of various sizes. A member of the Liberty Loan committee arrived at an estimate after making some assumptions. He said he had taken the most unfavorable basis, assuming the war will last five years, and that the government will exercise its option to retire the bonds at the end of ten years. Upon such a basis he concluded the four-per-cents are worth 3.91 per cent a year to a man with a \$15,000 income and 3.65 per cent to a man with \$80,000. If the war taxes cease at the end of five years he decided the four-per-cents are a better investment than three-and-a-half per cents, even to the man with \$100,000 a year.

England's Latest Bonds

THE day after our second issue of bonds was opened for subscription England published the prospectus of a new issue of its own, with conditions which are in many ways novel to us. Popular subscription to these British bonds is to continue indefinitely; in other words, no date for closing subscriptions has been set and no limitation has been imposed upon the total issue. Foreign purchasers will receive their interest free of British income tax and British purchasers may use the bonds to pay excess profits taxes.

The new British bonds pay interest at 5 per cent or 4 per cent accordingly as the interest is subject to income tax or free from it. The five-per-cents, to which British investors strongly incline, are payable in five, seven, or ten years, accordingly to the term of the bond the holder chooses. They are payable at a rate above par, too,—the five-year bonds at 102 per cent, the seven-year bonds at 103 per cent, and the ten-year ones at 105. Moreover, £95 in these bonds may be exchanged at any interest day for £100 in the five-per-cent War Loan which runs to 1920-1947.

The bonds in this new loan are offered through the banks in denominations of £50 and upward. They are at the same time offered through the post offices in denominations of £5 and its multiples.

War-Saving Certificates

IN addition to increasing from two billion to four billion dollars the amount of short-term Treasury certificates which may at any one time be outstanding, the second bond law followed a precedent of England by authorizing war-savings certificates. Whereas

the Treasury certificates go mainly to bank and large investors who may have use for a temporary investment, war-savings certificates are meant for persons of limited means, who have but a few cents or a couple of dollars to invest at a time. The rate of interest is left to the Secretary of the Treasury. When these certificates are placed on sale, probably about December 1, an investor will pay the face value less a discount according to the period which the certificate is to run; this period cannot be longer than 5 years. At the end of the period he will receive the face value. In other words, the interest is discounted for the period of the certificate. This procedure saves the enormous and prohibitive expense which would occur if interest payments were to be made annually or semi-annually by the Treasury to every certificate holder. England is obtaining loans of \$3,000,000,000 or \$4,000,000,000 a week through sale of such certificates; but the scale of wages in England even during war is much lower than our scale, and the sales of war-saving certificates here may far surpass the results abroad.

Borrowing Now Contemplated

THE First Liberty Loan, the Second Liberty Loan, and the balance of the authorization for bonds, together with \$2,000,000,000 as the maximum of war-savings certificates that may be outstanding at one time and the corresponding maximum of \$4,000,000,000 in Treasury certificates, make the total use of the government's credit which Congress has authorized reach the sum of \$15,000,000,000.—for ourselves \$8,000,000,000 and \$7,000,000,000 for other governments.

How much borrowing will be done before the end of the government's fiscal year, next June, is another matter. The whole of the two billion of war-savings certificates may not all be sold by that time, and the four billion of Treasury certificates, although they may be kept outstanding by reissue, are intended for temporary financing between issues of bonds. Accordingly, when Congress reassembles in December it will probably add to the amount of bonds which may be offered for sale. At the end of September the Secretary of the Treasury indicated that he looks forward to a series of issues which, by the end of next June, will aggregate \$13,000,000,000 or \$14,000,000,000.

Capital For Other Enterprises

AT the time the Secretary made this estimate he read part of a statement which had been prepared for him regarding the sums available for the government. The total amount available in 1917 for financing both private industry and the government was placed at \$18,000,000,000. As the savings from all sources in the United States in a normal year, before 1914, were placed at \$5,000,000,000 to \$6,000,000,000, a conclusion was reached that, after the government has met its needs, there will be sufficient new capital left for industrial purposes. Such a situation, of course, would mean that no such restrictions upon new capital issues for private enterprise may be necessary as have been imposed in European belligerent countries.

Revenues From Taxation

THE part of the expenditures for war that should be raised by taxation has been a moot point. In confidence of victory which would include exaction of indemnities to meet the cost of the war, Germany announced early that it would not levy taxes for war purposes but raise the money by loans; according to this point of view, there would be no burden of a

taxes on the present generation and no burden of debt on future generations, since the industries would liquidate the loans. Germany's war expenditures to date are in the neighborhood of \$25,000,000,000, and its loans exceed \$18,000,000,000, quite a neat sum to levy in cash upon the rest of the world!

Such principles of war finance were novel, to say the least. During the Napoleonic wars England had raised 30 per cent of her expenses through taxation. By the end of 1916 England was paying 26 per cent from taxes, while Germany was actually devoting a substantial part of the proceeds of one loan to pay the interest on another. As a matter of fact, in 1913 Germany had imposed a sort of tax that is usually the last expedient of a hard-pressed government, — a levy on property of all kinds, to be paid in three installments, and to be a "contribution to imperial defense." It is apparently now getting 15 per cent through taxes. France is raising approximately an equal amount in the same way. England has increased its percentage to 28.

Before the Civil War federal taxation in the United States was very light. Between 1861 and 1865 it was increased until its returns rose from \$1,000,000 to \$322,000,000. In that year expenditures were \$1,295,000,000. Consequently, about 25 per cent was then being obtained from taxes.

The proportion of our expenditures to be raised through taxation in the first year of our present war cannot be put down with precision, because the roll of the expenditures is not complete. If we take the estimated receipts of the government from all sources under existing law and the amount of bonds the Treasury apparently plans to issue before the end of next June, we find the percentage will be around 32. If we discard the \$7,000,000,000 which is to be lent to our allies, we arrive at 36 per cent as a rough approximation.

Our New Taxation

THE new tax bill which became law on October 3 is expected to add \$2,534,000,000 to the government's income. If the figures prove correct when they are tested by experience, the annual results of all taxes and postage will now be \$4,193,000,000. From similar sources England expects about \$3,000,000,000 this year.

Kinds of Taxes

FEDERAL taxation with us has had a shifting basis. In 1860 ninety-four per cent of the revenues came from customs duties. In 1864 forty-two per cent grew out of these duties and 44 per cent from internal revenue taxes. England is sometimes said to have had in former years a policy of drinking itself out of debt. In a measure we pursued the same policy in reducing the debt which was piled up by the Civil War, adding considerably through our fortunes to tobacco.

The revenues of the federal government first exceeded \$600,000,000 in 1907. Then 30 per cent arose from customs duties and 40 per cent from internal revenue. In the law of 1909 we began seriously, although tentatively, with the federal income tax, under the guise of an excise duty on corporations, and in 1913 we turned to it expressly as a real source of revenue. In 1915 the returns from customs duties represented 30 per cent of the total, and internal revenue levies brought in 60 per cent, with income taxes constituting about one-fifth of the latter and about 10 per cent of the whole. In this year, while income taxes raised about \$80,000,000, malt and distilled liquors still yielded \$215,000,000.

The law of October 3, 1917, represents direct taxation of a real sort. In its total of

\$2,534,000,000 it seeks \$1,851,000,000 from incomes. To the facilities used in general business, — transportation of freight and passengers, means of communication, including first-class mail, etc., — it looks for \$230,000,000 more. Upon beverages, which already are largely taxable, it places \$66,000,000, and upon tobacco, which is in much the same case, \$53,000,000. Thus, the income tax becomes the great source for our sinews of war. We have turned definitely in our fiscal policy to the taxes which Thomas Jefferson once called "infernal."

The figures refer to the new taxes. When all federal taxes, — new and old, — are considered the more important sources of this year's income are about as follows:

Income taxes.....	\$2,211,000,000	52%
Special taxes on businesses and business facilities.....	263,000,000	6%
Customs duties.....	210,000,000	5%
Beverages.....	152,000,000	4%
Tobacco.....	146,000,000	4%
Other miscellaneous taxes, including some more or less directly on consumption.....	150,000,000	3%
Post-office receipts.....	315,000,000	7%

The percentages represent the proportions of the total \$4,193,000,000 which official estimates indicate will be received this year otherwise than through borrowing.

England's source of the £638,600,000 in revenues it expects this year will be about as follows:

Income tax.....	£124,000,000	15%
Excises profits tax.....	200,000,000	31%
Customs and excise taxes.....	105,000,000	16%
Other revenues.....	108,000,000	15%

Our Income Tax

CONGRESS began last May by discussing both a new income tax and a tax on excess profits. Whether the latter tax should fall especially upon profits which result from war or should reach all profits that appeared large in proportion to the capital employed became a question that was contested throughout the summer and, on October 2, when the Chairman of the Senate Finance Committee presented the conclusions the conferees had reached after two weeks of effort behind locked doors, he declared that although the bill purposed to levy two different sorts of taxes, both are levies on income as such. Accordingly, in the figures presented above, the so-called war excess-profits taxes are included with income taxes.

This state of affairs seems to lead to some inconsistencies. The new law makes some express amendments to the general statute under which the income tax is levied, and while purporting to levy a war excess-profits tax it in some respects shifts to a new basis as to this part of the new income taxes. For example, while members of Congress are subject to income taxes as to their official salaries of \$7,500 they are exempt regarding this salary from the special levy on other individuals who receive salaries exceeding \$6,000. A partner under the income-tax law is treated as an individual and the partnership as such does not enter into the calculation; under the special levy a partnership comes into the reckoning as such, with a result that individuals are apparently penalized if they do not practice law or medicine independently, and they are not altogether certain as yet whether or not before figuring income taxes they may deduct their share of the partnership's excess-profits tax. Under the income tax individuals are treated pretty much alike whether they get their living from "earned" or "unearned" income; the income of individuals from some investments such as bonds, however, may to a degree escape the special levy of the war excess-profits tax.

Some of these situations may be changed when Congress meets in December. Meanwhile, the two special advisory boards which are being organized in the Treasury Department to assist officials in interpreting the new law may arrive at ways to obviate some of the inconsistencies which appear as matters of first impression when the text is examined.

War Excess Profits Taxes Abroad

A NUMBER of other countries levied special taxes at a time nearer 1914 than we, and as a general rule were able to get back more nearly to the income of the pre-war period as a base for exemption. Sweden appears to have been first to resort to the tax. Great Britain followed suit with a tax of 80 per cent on the excess over the pre-war earnings. France now takes 50 per cent upon profits exceeding about \$1,000. Other countries which have the tax in one form or another include Italy, Russia, Switzerland, Norway, Denmark, Canada, New Zealand, Germany and Austria-Hungary. At the end of August a "War-Time Profits Assessment" bill was pending in Australia, and it apparently had some of the objectionable features, such as retroactive levies, which at some stages were in our bill.

Amounts of Present Taxes

THE new law makes computation of the total tax levied by the federal government very largely a question for each individual and corporation. Generalizations are accordingly subject to correction. For a few typical cases the results of all federal income and excess-profits taxes may be computed for an individual who is married and has two children, about as follows:

INCOME DERIVED FROM SEPARATE BUSINESS WITH NOMINAL CAPITAL OR FROM PROFESSIONAL SERVICES OR SALARY.

INCOME	INCOME TAXES	EXCESS PROFITS TAXES	TOTAL TAXES	PERCENTAGE OF INCOME
\$2,500	\$2	.....	\$2	.08
5,000	64	.....	64	1.28
7,500	182	120	302	4.03
10,000	329	320	649	6.49
15,000	668	560	1,228	8.18
20,000	1,062	1,120	2,182	10.90
30,000	2,081	1,920	4,001	13.35
50,000	4,584	3,620	8,204	16.40
100,000	14,108	7,520	21,628	21.62

INCOME DERIVED FROM BUSINESS WITH \$20,000 CAPITAL

INCOME	INCOME TAXES	EXCESS PROFITS TAXES	TOTAL TAXES	PERCENTAGE OF INCOME
\$2,500	\$2	.....	\$2	.08
5,000	64	.....	64	1.28
7,500	182	.....	182	2.32
10,000	329	1,320	1,649	16.49
15,000	668	4,920	5,588	37.25
20,000	1,062	7,420	8,482	42.41
30,000	2,081	13,320	15,401	51.34
50,000	4,584	25,320	29,904	59.81
100,000	14,108	55,320	69,428	69.43

INCOME DERIVED FROM PROFESSIONAL SERVICES IN PARTNERSHIP OF THREE PERSONS DIVIDING EQUALLY

INCOME	INCOME TAXES	EXCESS PROFITS TAXES	TOTAL TAXES	PERCENTAGE OF INCOME
\$2,500	\$1.20	\$40.00	\$41.20	1.62
5,000	34.00	240.00	274.00	5.48
7,500	107.00	440.00	547.00	7.29
10,000	280.00	640.00	920.00	9.20
15,000	630.00	1,040.00	1,670.00	11.13
20,000	1,034.00	1,440.00	2,474.00	12.37
30,000	2,095.00	2,240.00	4,335.00	14.45
50,000	4,541.00	3,840.00	8,381.00	16.76
100,000	14,124.00	7,840.00	21,964.00	21.96

Of course, some of the more extreme results which are indicated by such computations do not have been made above may be avoided through interpretations of the law. For instance, an individual who has (Continued on page 40)

Field and Garden Pass the Ball to Hoover

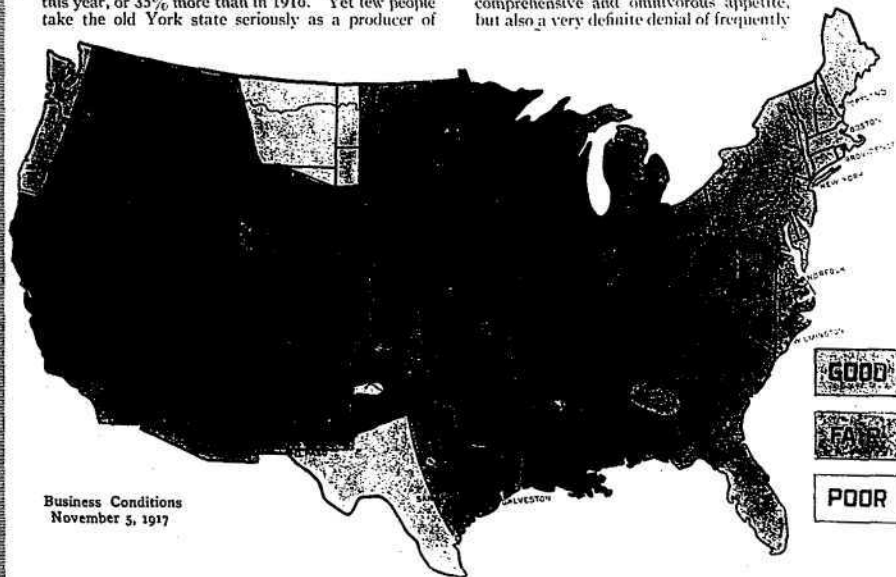
By
Archer Wall Douglas

THE great harvest, now nearly completed, has definitely set at rest the most important factor in the food problem, that of production. How great this production is has already been told in previous reports as regards staple agricultural products. But of no less significance are the yields of those minor products which play their part as food for human beings.

The season for peaches is about over, and New York state, the last to contribute, shipped 7,185 cars this year, or 35% more than in 1916. Yet few people take the old York state seriously as a producer of

count those thousand and one gardens in every county, for which no figures are available. Much of this production will find its mission as sauer-kraut for use throughout the winter.

The list of these important food products, important because of their cumulative effects, is as long as a Chinese play. Moreover, the story of their recent and rapid growth in acreage and production is not only a testimony to the steady growth of our national comprehensive and omnivorous appetite, but also a very definite denial of frequently



Business Conditions
November 5, 1917

peaches of the fruit species. Also in that strip of territory along Lakes Ontario and Erie, Westward from Niagara to Toledo, there are shipped during the season thousands of car loads of grapes. Fortunately these and similar products are no longer merely perishable food to gratify our passing appetites, but because of canning, drying and preserving methods, are permanent food throughout the winter.

The acreage planted to velvet beans is about five million acres, or fourfold that of 1916, with corresponding increase in production. This hitherto unknown and modest legume is revolutionizing agricultural ways and methods in many sections of the South, and excites an interest there in rural districts equalled only by that of a five reel thriller.

The commercial harvest of cabbages this season will be about 700,000 tons, or 250 per cent greater than last season. Nor does this reckoning take into ac-

made but misleading statements that agricultural production in this country does not keep pace with the growth of population. Such questions have a wider range and answer than the comparative study of a few leading agricultural staples. One significant and rather unpleasant, though entirely natural, feature of the food situation is that prices are out of joint in many items, and have not as yet shown that full decline which should go with abundant yields.

The new harvest of Irish potatoes, larger than ever before, is about five bushels per capita for every inhabitant, man, woman and child, in the United States. Yet prices of this great staff of life are not as low as this unprecedented production should indicate. This is due partly to the fact that much prosperity, with consequent widespread purchasing power, creates greater demand than in times of depression. People eat more in quantity and of greater variety in good

times than in bad. There is also an atmosphere of high prices, which war conditions invariably breed. In every line there are a number of commodities whose high prices find no warrant in the actual facts of the situation, but such prices still persist because sellers find that they can get them.

We shall remedy the situation much by conservation, by avoiding waste. But in the long run the factor of next importance to production is that of distribution, which will economically and efficiently transport commodities from those who produce them to those who use them. It is a long and complicated problem, and we are only at the genesis of its study, much less its solution. Its supreme importance is amply illustrated in the present world situation in wheat. The great wheat exporting countries, United States, Argentina, Canada, India and Australia, have more surplus wheat than the estimated demands of the Allies, and Argentina and Australia will reap new crops in December and January. But it's a long, long way from the Southern Hemisphere to England, France and Italy, so the situation as regards the Allies still awaits the supply of more ships and still more ships. Meanwhile the United States and Canada must furnish the bulk of needed wheat.

THERE will not be so much cotton as seemed likely thirty days ago. For early frosts and freezing were general over the Cotton Belt, and obliterated what there was of that mythical top crop, which only comes once every little while, say every ten years, and then only under extremely favorable conditions of a long, warm dry fall.

There is a far greater acreage of winter wheat than ever before, Missouri heading the list with about 40 per cent increase. The growing plant is generally in fine condition, and seems to be deeply rooted, which will probably prove its salvation in the winter days to come. Rain is needed from Kansas southward through Oklahoma to Texas.

There was a heavy loss in the Arkansas rice crop, because of early frost. Pastures are generally, in fine condition, save in the dry

districts mentioned, and in them live stock are being pastured in the wheat fields. Grazing ranges in the southwest need moisture badly, with the live stock in consequent poor condition.

The abundance of feed for live stock is already reflected in the declining prices of meat animals, especially hogs. How far this will go will depend largely upon whether the government fixes a minimum price on corn instead of allowing it to take its natural course. The difficulty of such fixation is that it must largely be arbitrary and empirical, since there does not exist any authoritative figure of cost of production on farm products that is capable of general application. Nor can it be, from the nature of the case and the wide differences in soil, climate, and labor conditions in various parts of the country.

If the average farmer in normal times charged interest on his investment, and also his own labor, to the cost of his products, the profit balance in his accounting would often be a negligible factor. As a matter of fact the cost of the articles he produces has no relation to the price he obtains for them, since these prices are regulated almost entirely by competition and his facilities for marketing his goods.

It is easier to realize this situation than it is to remedy it, for the farmers' competition is not only nation-wide but international. Baldly stated, however, it is apparently quite sure in a term of years that this condition tends to cause lower average prices on farm products to the consumer. Once more it is the problem of a better system of distribution, which shall reduce prices to the consumer, without lowering those received by the farmer.

WHEAT is coming to the market in slowly increasing volume. The labor situation is somewhat improved, and some threatened strikes of serious import have been peacefully adjusted. But constant demands for higher wages keep the situation most unsettled. The former scarcity of labor is acutely accentuated by the number of men called to the colors on draft selections. The

low efficiency of labor continues general because of the constant and apparently purposeless shifting of the human unit from one place to another, and from one occupation to another entirely different. Such birds of passage rarely stay long enough to learn the rudiments of their new employment or to acquire any interest in it.

Manufacturers continue full of orders, but find themselves in many lines in somewhat better position to take care of their orders, especially as the general buying now lacks the incentive of speculation and is only for necessary wants, and near future anticipation. Governmental fixing of prices finds the trade singularly unafraid of any general demoralization in prices in the near future. The prevailing belief seems to be that the prices of finished goods will respond very slowly and gradually to those lower figures on raw materials.

BUILDING enterprises and those of new development, and exploitation is largely lacking in the present situation. To some extent this loss in the volume of business is supplied by government wants, which are both large and insistent for immediate satisfaction. Also there has sprung up around the cantonments a very heavy trade in a number of items which cater to the comfort and convenience of the individual soldier.

The few map changes are for the better. It is indicative of the general "good" coloring of the map that many favorable conditions are the result of great activity in certain sectional or local industries. In the oil producing regions from Northeastern and Eastern Oklahoma to Southeastern Kansas, fortunes are being made over night after the fashion of the early days of oil discoveries in Pennsylvania. In extreme Northeastern Oklahoma, probably the richest zinc ore mines in the world are daily adding to the prosperity of that section. The sum total of these and innumerable wealth producing industries of every kind and degree is shown in that unbelievable outpouring of general wealth in subscriptions to Liberty Bonds.

"When the Guns Begin to Shoot"

Business, Bold in Organization, Takes Hazards of Battlefield to Pass Shells and Food to the "Boys" Whose Game is War and Whose Stake is Liberty

By **GEORGE FARLEY**

THE fool said in his heart, there is no danger that the United States will become involved in this war.

To everyone else the peril was clear. Dreading war, hating it as they did, resolved, if possible, to avoid it, Americans knew nevertheless that war might come. Incident after incident made the danger more apparent and brought it nearer. The conflict in Europe, like a lightning flash, showed how ill prepared we were to meet it.

Men resolved in their own minds that something ought to be done. Neighbor to neighbor, they said the same thing. Men began to think collectively, in small groups, through chambers of commerce, boards of trade, and the like.

Through the Chamber of Commerce of the United States, with its membership of mer-

chants and manufacturers, lawyers and doctors, economists and financiers, business began to think as a national unit and act as a national force.

The activities of the Chamber for the defense of the nation—not against this possible enemy or that in particular, but any enemy that might appear—started long before the United States went to war. Resolutions from the Spokane Chamber of Commerce, the Knoxville Board of Trade and the New York Merchants' Association—showing the country-wide field of the National Chamber—led to steps, in September, 1915, for the appointment of a special committee to consider measures of defense.

The report of the committee was submitted to a referendum vote of the membership of the National Chamber, with the result that the

voice of organized business, unhesitant and unequivocal, was raised in favor of national safety.

It is worth while to go back to that report and consider for a moment what these business men put forth as a program of national defense more than a year before we actually did become involved in this war.

"For the preservation of the peace and honor of the United States"—these the sentiments of a "war lord" appealing for an army of aggression?—the committee recommended that our land and sea forces should be so increased, and our industrial resources so coordinated, as to make fully available the military, industrial and financial strength of the nation.

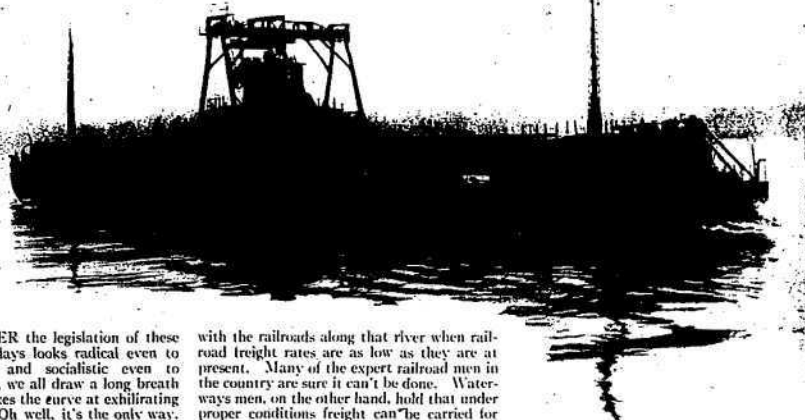
A body—it is still the committee speaking—in the nature of a (Continued on page 42)

Floating War Freight

Our Inland Waterways Might Make Adequate Transportation a Sure Thing

Instead of a Guess by Taking Over Part of the Load Under Which the Railroads Are Staggering

By J. WAINWRIGHT EVANS



WHENEVER the legislation of these stirring days looks radical even to radicals, and socialistic even to socialists, we all draw a long breath while Congress takes the turn at exhilarating speed, and say "Oh well, it's the only way. We have to make time to win the war. When it's all over we'll slow down and use less gas and more caution. Some of these laws we'll hang onto. Those we don't want we'll chuck."

And from that reflection we all derive vast comfort. It serves to make the radicals, the socialists—possibly even the anarchists, view with a minimum of clutching at something to hang onto our time-saving progress toward wherever we are going.—As to the conservatives, I leave them out. There ain't no such animal no more. They're either prehistoric or paralyzed.

Congress, since the beginning of the World War, has passed a mass of legislation that it wouldn't have touched with a ten-foot pole in the piping times of peace. For peace-time legislation is based, in theory at least, on sound peace-time economics; while war legislation has an economics of its own, which is—Win the War; and Hang the Cost! That is why it passes Congress; and if part of it shall later turn out an asset instead of a liability, so much the better. It is on that basis that we have now to approach the question of Inland Waterways.

The waterway question in war-time amounts to this: Shall we save our system of railroad transportation from a possible break-down at some time in the future by beginning at once to make all the use we can of our more navigable inland waterways? That, of course, is a war question pure and simple. It has to do, not with commerce but with winning the war. I emphasize the distinction because in any consideration of waterways at this time it is the pivot of the whole thing.

The crux of the waterways question in peace-time has always been relative economy in transportation. Most railroad men contend that waterways men have still to prove that freight can be carried, say, on a stream like the Mississippi in competition

with the railroads along that river when railroad freight rates are as low as they are at present. Many of the expert railroad men in the country are sure it can't be done. Waterways men, on the other hand, hold that under proper conditions freight can be carried for much less than the existing railroad rate; and that this is actually being done. They marshal pages of facts and figures to prove their point; and such bodies as the New Orleans Board of Trade and the Minneapolis Civic and Commerce Association have put out exhaustive reports to show that large traffic on the Mississippi River is a sound commercial proposition. So far, however, it is a case of "Katy did; Katy didn't" and neither side has converted the other. And perhaps it is only fair to add that neither side has as yet conclusively refuted the other. As a commercial, peace-time question, the thing is still up for decision; and it therefore ill becomes the supporters of either view to be over-positive, dogmatic, or partisan—as many of them certainly are.

Before a peace-time Congress could wisely take action on waterways it would have to decide to its satisfaction many complex matters. Such a decision would have to be arrived at slowly, after weighty experiment and discussion. In no other way could the nation be properly committed to a big waterways program, involving as it would the expenditure of colossal sums of money. Hasty, ill-considered action in peace-time on a question so clearly two-sided would be indefensible.

BUT how about the question in war-time? What makes its immediate, comparatively hasty solution a matter of vital necessity? What are the facts and conditions which make it at least possible that we may lose the war through inadequate transportation? What hope of insurance against this menace do the waterways make immediately available?

As I wrote those questions my eye wandered to a half open newspaper on my desk. Staring at me from a headline were these words: "Need for Swift Ships". That isn't the whole answer but it's part of it. Guns and ocean-

going ships, and railroad construction at the front, and scores of other necessary things are using up most of our stock of steel plate. The consequence is that the railroads can't get as much plate as they need for repairing and replacing their rolling stock. And, to put it mildly, it is at least open to doubt that they will get it.

IN proof of this I offer certain extracts from a letter from Mr. Fairfax Harrison, now Chairman of the Railroads War Board, to Senator Francis G. Newlands, Chairman of the Senate Committee on Interstate Commerce, under date of September 13. The whole letter may be found in the Congressional Record of October 4. It is conservative, careful, and authoritative; and I wish I had space for the whole of it:

"Data collected by direction of this committee indicates that on April 1 there were approximately 102,000 new freight cars under order for American railroads. Recently, in response to inquiries, it was ascertained that there were approximately 3,015 new locomotives under order. Some progress has been made in completing and delivering these new cars and engines to the railroads, but progress has been slow, and will doubtless continue so, while few new orders will be placed by the railroads under the existing pressure for raw material and the delay in securing steel and other manufactured parts. Thus the capacity of all the plate mills in the United States is 1,850,000 tons. We are advised that the government's program for the coming year will require about 1,600,000 tons of such plates. The needs of the railroads in plates merely for repairs to locomotives and cars during the coming year will be 275,000 tons. Orders for new locomotives, rail and other railroad equipment for use abroad by the United States and the Allies, which have been given preference to the needs of the railroads at home, are also delaying our deliveries. This presents one of our most

serious problems in the outlook for the next 12 months.

"It is impossible to make definite reply to your inquiry as to the adequacy of the present equipment, for the reason that we are without definite information as to the volume of additional transportation which the requirements of the government and our Allies may still add to the commercial traffic of the country. We have viewed with much concern the reduction in available coastwise tonnage, which formerly handled large amounts of traffic by water from one part of the country to another. As a result the volume of rail transportation has in certain districts of the country been unusually increased, and if more coastwise ocean tonnage is taken by the government an acute condition may result, particularly in the movement of coal and cotton to New England.

"The continued increase of the efficiency of the railroads depends largely upon the delivery of cars and locomotives now on order to replace those worn out or destroyed from time to time and the regular receipt of rail and steel products for repair purposes.

"These conditions are vital to the continued upkeep and necessary expansion of the carriers, and without adequate attention to them it is

inevitable that the railroad machine of the country will in time halt and in some degree fail to meet the requirements imposed upon it."

It doesn't take a seer to gather from that that there is at least a possibility that we may not be able to give our railroads what they must have, just as there is a possibility that we may not be able to build enough ships to overcome our submarine losses. And the common sense of it seems to be that we must reduce the chance of disaster as much as possible by beginning at once to use the waterways and to keep on using them more and more just as fast as we can float barges of steel or wood, and build terminal facilities and tow-boats.

One thing is certain: The steel plate needed for ships and for operations at the front must be supplied first; and it is out of the question to divert it to the railroads if any reasonably workable substitute for such a course can be found.

It is quite possible that the demands on the roads will increase as the war goes on. At present the roads seem to be holding their

own; but that is no guarantee that they will not fall behind if the strain keeps up, say, two years longer. One thing that greatly brightens the outlook is that a shortage in rail transportation, if such should develop, will not be so great that it cannot easily be made up by the water ways if we begin to bring them into use now with a view to what may happen later. Furthermore, it is a fact that any shortage, even if it should be a narrow shortage, might easily prove fatal to some important and vital project in Europe.

Consider, for instance, the immense quantity of freight billed to France, now lying heaped up on our ocean docks for want of ships to carry it. Lack of transportation!—Now suppose, later, should happen

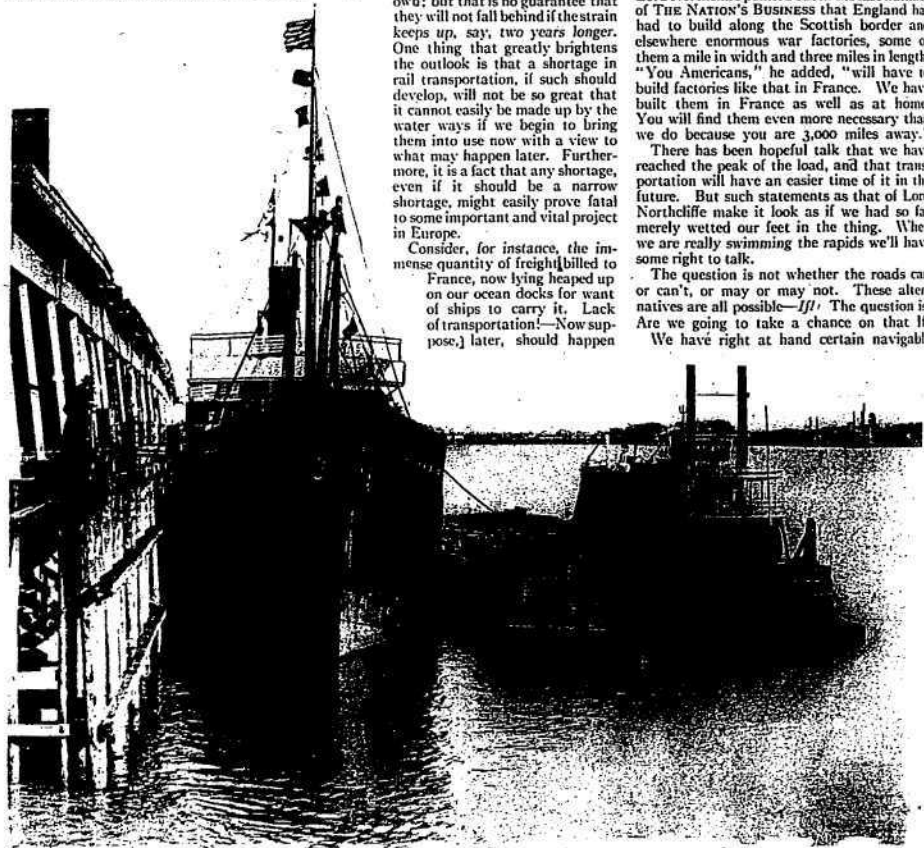
that that matter could not even be carried to tidewater in time for France to get them for some very necessary purpose. It might hold up a big drive. It might result in disaster. We can't tell what may come; and we can't take chances. There may be another Battle of the Somme; another Valley of the Marne—where Germany will go down to final defeat if the blow be but resistless enough, and where a hair may turn that whole colossal scale of action.

I see no escape from the conclusion that our task in Europe may, and probably will, absolutely demand that supply of steel plate on which adequate railroad transportation in this country absolutely depends. It is a true dilemma—unless, indeed, we make sure, while there is time, that we don't have to face it.

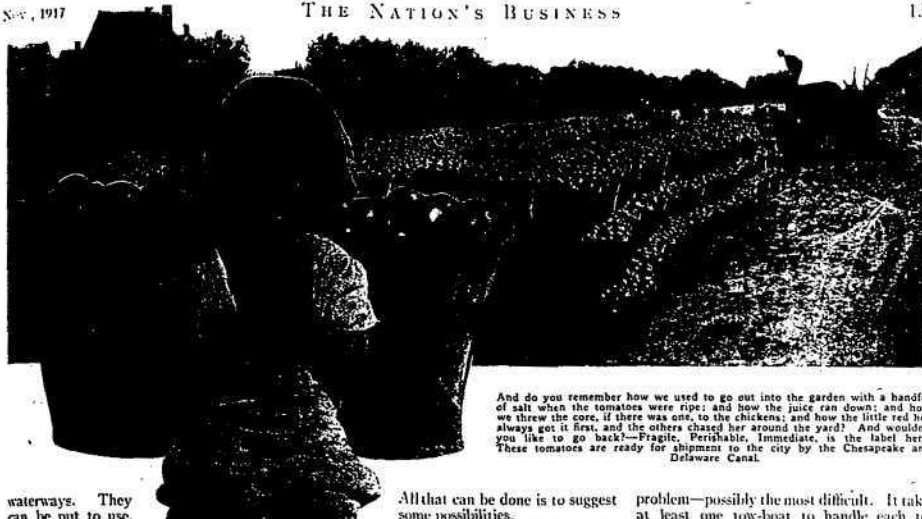
THE government, according to Mr. Harrison's letter, will need 1,600,000 tons of steel plate; and here is something that may bring that fact home, and show the size of the maelstrom that is sucking down our steel plate along with everything else we can produce: Lord Northcliffe pointed out in the last number of THE NATION'S BUSINESS that England has had to build along the Scottish border and elsewhere enormous war factories, some of them a mile in width and three miles in length. "You Americans," he added, "will have to build factories like that in France. We have built them in France as well as at home. You will find them even more necessary than we do because you are 3,000 miles away."

There has been hopeful talk that we have reached the peak of the load, and that transportation will have an easier time of it in the future. But such statements as that of Lord Northcliffe make it look as if we had so far merely wetted our feet in the thing. When we are really swimming the rapids we'll have some right to talk.

The question is not whether the roads can or can't, or may or may not. These alternatives are all possible—*if*! The question is: Are we going to take a chance on that? We have right at hand certain navigable



Here is the lowly barge on duty. She has brought this freight down the Mississippi to New Orleans; and it is now being hoisted into the hold of one of her big ocean sisters. The transfer is made without resort either to railroad or wharf.



And do you remember how we used to go out into the garden with a handful of salt when the tomatoes were ripe; and how the juice ran down; and how we threw the core, if there was one, to the chickens; and how the little red hen always got it first, and the others chased her around the yard? And wouldn't you like to go back?—Fragile, Perishable, Immediate, is the label here. These tomatoes are ready for shipment to the city by the Chesapeake and Delaware Canal.

waterways. They can be put to use, not after years of preparation, but actually in a few months, if we choose to begin now to build of wood or steel an emergency fleet of barges, put them to work, and insure them plenty of freight. This would be practicable on the Mississippi and certain of its northern tributaries; and it would be practicable over a large part of the Intra-Coastal route, which consists of a series of waterways and connecting canals along the Atlantic Coast. These begin south as far as Beaufort, North Carolina, and extend north to the Hudson River and the great New York State Barge Canal, which will presently be completed. These two systems could be utilized at once. Some further improvement would doubtless be desirable; but we wouldn't have to wait for it.

This does not mean that the project could be put into anything like adequate operation in a few months; but simply that if a start be made, and the enterprise kept up, two years more will see us with a big fleet of barges, with fast developing terminal facilities, with improving channels, and with a waterway system that will continue to expand as long as we need it for purposes of war, and possibly later for purposes of peace.

It goes without saying that the railroads should be given every bit of material that can be spared to them. It also stands to reason that the aim of such a project as this would be to supplement rail traffic, not displace it. The railroads would continue to carry all they could stand, not more than they could stand; and the waterways would absorb that part of the traffic of the country which they could carry most advantageously and economically. And they wouldn't have to absorb very much to do it, either. In other words, the task of putting the waterways to war use would not be so big as to be impracticable. It is safe to say that the railroads, if they fall short, will not fall short very far—just far enough, perhaps, to insure the lengthening or loss of war if we shall permit to happen this thing which we can so easily prevent even the possibility of if we act at once.

So much for the situation that confronts us. Now for the practical solution. This is too vast a subject to be fully dealt with here.

All that can be done is to suggest some possibilities.

One proposal which carries great weight because of the authoritative source from which it comes, was explained to me recently by Colonel Charles Keller, Secretary of the Committee on Inland Waterways Transportation of the Council of National Defense. Colonel Keller has been connected for the last twenty-four years with the work of the Engineer Corps in the improving of our waterways. He has had vast experience, and knows whereof he speaks.

He said that the Engineer Corps, if it were told by the government to undertake freight distribution by water, could, after the necessary preliminary had been made, build in three months enough wooden barges to carry 100,000 tons of freight weekly or 5,000,000 tons a year. That much in three months!

"We have in our organization," said Colonel Keller, "many men who are experienced in this work. They could go at it without loss of time, and with no waste of motion. The material for wooden barges is plentiful and could readily be treated with preservatives. We could carry it to the shipyards largely by water; and I know of a dozen shipyards in the middle west where the work could be done without thereby in any way interfering with the construction of deep-sea vessels.

"The cost would be \$20 or less for each ton of freight carrying capacity. The cost of a 500-ton barge would be about \$10,000, or 50 barges for a half-million dollars. If they were built of steel the cost would be about \$60 for each ton of freight carrying capacity.

WE could go right at it. It is merely a question of obtaining the authority to act. The government might do this work and sell the barges to private dealers, or if need be, run them itself. The essential thing of course would be to see to it that any boats built should be made to serve a really useful and necessary purpose; and this would require a careful co-ordination between the railroads and water carriers, and the most cordial and intimate connection between them, all with a view to serving the public good most efficiently.

"It is hoped to obtain the cooperation of the Shipping Board in the construction of these barges, and also for making tow-boats. Tow-boats will be a more difficult part of the

problem—possibly the most difficult. It takes at least one tow-boat to handle each ten barges. Some old boats are already available, but they are uneconomical, and there are not enough of them. Terminal facilities are wanting, but we could do wonders with that problem in a couple of years."

Colonel Keller added that in the past many factors have militated against the waterways. Poor adjustment of railroad and waterway rates and lack of intimate connection has of late years been one of the worst of these. Moreover, business has, so to speak, turned its back on the waterways and faces toward railroads. For true efficiency it should observe an impartial and equally hospitable attitude toward both.

In this connection, consider Bulletin 18 of the American Railways Association, now the Railroads' War Board:

"The position of the railroads regarding commercial transportation on the navigable waters of the United States is that they will welcome any practicable water transportation and are prepared to cooperate cordially with responsible persons or corporations who may provide such water transportation, by the exchange of traffic, the assurance of joint through bills of lading, and, if necessary, where conditions justify it, by joining the water carriers in the building of tracks to connect the railroads with the wharves and landings of water carriers."

THAT was signed by the Executive Committee, composed of Fairfax Harrison, President of the Southern Railway, Chairman; Howard Elliott, former president of the New Haven; Hale Holden, president of the Burlington; Julius Kruttschnitt, president of the Southern Pacific; and Samuel Rea, president of the Pennsylvania.

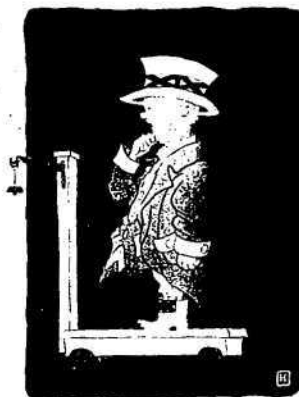
I recently had the rather overwhelming experience of interviewing those gentlemen in a body, with the exception of Mr. Holmes. In substance the result of the interview was this: The Committee stands by its statement in Bulletin 18; but it nevertheless believes water transportation for commercial purposes to be still open to question; and that their belief is that whatever measures we may adopt for war purposes, we should proceed with caution before coming to positive conclusions about the commercial aspect of waterway development.

Later I talked with (Concluded on page 32)

PENNY-WISE BY WAR

Happy, Careless, Wasteful America Will Learn to Save "Cheese Parings and Candle Ends," and Thus, by Thrift, Gain New Ideals of Action and New Habits of Thought

By THOMAS W. LAMONT



John Bull Has Reduced and is Proud of It

THE American people are learning Thrift. They are learning it as the result of economic pressure. For the first time in our history we find ourselves without enough of those things which in the past we have so often prodigally wasted. And it is for that reason that we are, as it were, learning Thrift over night, and developing a new and much needed side to our national character in the process.

This does not mean that the great national Thrift campaign, which is being conducted by the government through the leadership of such men as Mr. Hoover and Doctor Garfield, is to be dis-counted; for as a result of it the people are acting on the Thrift idea much more quickly, and with more of intelligent purpose than would otherwise have been possible in so short a time. But, if there had been no Thrift campaign, we should nevertheless have had to practice Thrift. We should have been slower but inevitably we should have come to it.

In this whole matter we seem to have been putting the cart before the horse. We have been regarding Thrift too much as a kind of forced, and artificial economy, brought about by exhortation from national leaders, deliberately resolved on and deliberately carried out by the nation. All that has had its place; but we ought to see this thing as it actually is. It is important to realize that real Thrift is an attitude of mind, forced on an individual or a nation largely by circumstance till it becomes an ingrained habit of life.

We are learning Thrift from Want—the same great task-master that taught it to Europe long ago. And the result will be, if the war continues, a pronounced, far-reaching change in many of our habits of life, our manner of thought, and our whole way of looking at things.

Thrift, I repeat, is not, and ought not to be, a forced and artificial economy deliberately resolved on and carried out by a nation. Rather, Thrift is an attitude of mind caused primarily by circumstance, and continued and increased by resolve. The significant thing about Thrift is not that it saves and conserves merely, but that it implies, on the part of the nation that practices it, habits of self-control and self-denial. Its significance is a spiritual significance, just as waste is significant of slackness, of disorder, of a mind and spirit ill-controlled. Thrift means rational living. Without its cultivation to a reasonable extent no individual, no nation, can live a rounded life.

Thrift does not mean stripping life of all relaxation, and all beauty. It means no fanatical, puritanical extremes of self-discipline. It means rather something of the idea that under lay the civilization of ancient Greece—the ideal of national temperance in all living. It calls for well considered conduct of thought and of living. It does not mean that the world will be a Utopia, but merely that the standards of the average man and the orderliness of his life will be raised. Thrift, then, is not saving and conserving merely, but something far more significant—self-control and self-denial and temperance; qualities that mean more in terms of sheer national wealth than all the gold that was ever mined.

All of this is important and fundamental; but, as I have already said, that does not lessen the importance of the present nationwide propaganda for Thrift. Quite the contrary. That propaganda is a thing of capital import; and it derives its significance largely from the fact that it takes the form of an appeal to the patriotism and sense of personal responsibility and self-respect of every individual citizen. It is, in the last analysis, the formulation of a national idea. It should be considered in that light.

The one great task, then, that all America's patriotic citizens, young and old, can at once undertake is to practice Thrift. England has already found that the stay-at-homes fight the war just as much as those at the front. Those at home wage the battle, by furnishing to the soldiers and sailors the enormous supplies of all kinds that they require in their desperate work at the front. This means not chiefly guns, munitions and air-craft—vital as these are—but food, clothing, shelter, fuel, transport, hospitals, medicines, surgeons, nurses and all the prodigious quantity of material absolutely required to keep the millions of soldiers and sailors of America and of her hard-beset Allies in efficient shape.

All this means that every particle of food that we save releases just that much more for the use of the army and navy. If our households can, without real suffering that leads to malnutrition, save an average of ten per cent in their food and fuel consumption, the amount of additional supplies thereby rendered available for the war, in the course of a year, is almost incalculable. President Wilson put the subject of countrywide economy and thrift into the fore-ground of national duties when he said, "This is the time for America to correct her unparadonable fault of wastefulness and extravagance. Let every man and every woman assume the duty of careful, provident use and expenditure as a public duty, as a dictate of patriotism which no one can now ever expect to be excused or forgiven for ignoring."

The Six Why's of Thrift

IN England it took a long time for the nation—even close as it was to the actual theatre of war—to wake up to the necessity for economy in consumption. But Great Britain has grappled the problem, and for months past the campaign for Thrift has been sweeping the country more effectively. Millions of leaflets

have been distributed over there in the educational campaign for national Thrift—Here, for instance, is one of them:

1. Because when you save you help our soldiers and sailors to win the war.
2. Because when you spend on things you do not need, you help the Germans.
3. Because when you spend you make other people work for you, and the work of everyone is wanted now to help our fighting men, or to produce necessities, or to make goods for export.
4. Because by going without things and confining your spending to necessities you relieve the strain on our ships and docks and railways and make transport cheaper and quicker.
5. Because when you spend you make things dearer for everyone, especially for those who are poorer than you.
6. Because every shilling saved helps twice, first when you don't spend it and again when you lend it to the Nation.

And the How of It

IT will be well for us all if we pause now and then and consider again what, precisely, are the tasks confronting us in this world war. No one could have put them more clearly than President Wilson. Here is what he said: "These, then, are the things we must do, and do well, besides fighting—the things without which mere fighting would be fruitless:

"We must supply abundant food for ourselves and for our armies and our seamen not only, but also for a large part of the nations with whom we have now made common cause, in whose support and by whose side we shall be fighting.

"We must supply ships by the hundreds out of our shipyards to carry, to the other side of the sea, submarines or no submarines, what will every day be needed there, and abundant materials out of our fields and our mines and our factories with which not only to clothe and equip our own forces on land and sea but also to clothe and support our people for whom the gallant fellows under arms can no longer work to help clothe and equip the armies with which we are cooperating in Europe, and to keep the looms and manufactories there in raw material; coal to keep the fires going in ships at sea and in the furnaces of hundreds of factories across the sea; steel out of which to make arms and ammunition both here and there; rails for worn-out railways back of the fighting fronts; locomotives and rolling stock to take the place of those every day going to pieces; mules, horses, cattle for labor and for military service; everything with which the people of England and France and Italy and Russia have usually supplied themselves but cannot now afford the men, the materials, or the machinery to make."

Consider the whole problem from another angle: During the present fiscal year—the year ending June 30, 1918—the Federal Government will, it is estimated, need 20 billion dollars, an average of over 50 million dollars a day. Where, in the first year of the war, England had to raise an average of 12 million

dollars a day, America must raise 50 million. That measures the intensity which the struggle has reached and shows again the greatness of the task to be performed.

How can we meet these enormous demands? It is not sufficient that we merely turn over to the government our dollars in the form of taxes and loans. For, when we say that the government must have 18 billion dollars this year, we mean that it must be supplied with goods and services valued at that amount—wheat, cotton, wool, coal, copper, steel, etc., and the services of those engaged in the government service. The available supply of all these products has already been greatly depleted by three years of immensely destructive warfare, and if our government and our Allies are to be furnished with what they require for the successful prosecution of the war, it is clear that we must undertake the Thrift campaign upon vigorous scale.

For nearly three years, business in America has been working at high pressure. Since July 1, 1914, we have exported more than 13 billion dollars in merchandise, or almost double the amount exported in the preceding three years. Profits have been large and in many industries have been heavily increased. This great prosperity has been largely due to expenditures of the Allies in this country and has, to use the words of Sir Stafford Northcote, "begotten in us a habit and even a taste for expenditure such as it is much easier to acquire than to get rid of." Economy, however, now becomes a common obligation. Every man and woman must, as Mr. Herbert C. Hoover has pointed out with great force, tackle this saving problem individually. No one can arrange the other fellow's economies. What would you do if you suddenly found your income reduced by a certain amount? That is the question each must ask himself. That is the situation facing each one of us. Business will continue to be stimulated by a huge volume of public expenditure and there should be no lack of employment. But all energies will be devoted toward war. Goods for private consumption will be in less supply, and the needs of the government will require a large portion of our income, in the form of taxes and loans.

mittee pointed out the need of a campaign for savings and of the placing of certain facilities within reach of everybody. These facilities were: first, a simple method of investing savings; second, a guaranty that the capital value of the investment would not depreciate; third, the ability to withdraw savings at short notice; and, fourth, the knowledge that as high a rate of interest would be paid on the money of the small investor as on that of the large.

Tapping a People's Savings

THE government promptly appointed a national War Savings Committee. This committee has established, on a large scale, voluntary War Savings Associations for cooperative saving; and devises, approves and supervises plans to promote and to safeguard the financial soundness of these savings associations. Through the medium of these associations wage earners and others are enabled to purchase on the installment plan what are called War Savings Certificates. These certificates are issued by the government through the Post Office Department at a cost of 15s 6d (about \$3.85) each, and have a cash value of £1 at the end of five years. This certificate has the appreciable merit to the investor of saving his interest as well as

the small investor has lent to the British government, in one form or another, almost one billion dollars.

There are now in England and Wales over 4,000,000 members upon the books of the War Savings Associations, and 600,000 more individuals purchasing through the post office.

Although this great army of small investors in government loans has been created during the last year, deposits in the ordinary savings banks increased almost 500,000,000 in 1916. Such an increase, in the face of heavy investment in government loans, shows the wonderful results to which this system of thrift has led in Great Britain.

Can there be any question that America should take advantage of England's pioneer work and experience in this field? In no other way can the people realize that individual economy, thrift and saving of pennies collected in units of dollars and invested in loans to the government, will shorten and help win the war. Can there be any hesitation on the part of the American people in responding promptly to the plans along this line that have been formulated by the Treasury and Post Office Departments at Washington?

In Canada war savings certificates are issued in denominations of \$25, \$50, and \$100, repayable in three years at face value.

They cost \$21.50, \$43 and \$86 respectively, thus yielding over 5 per cent interest, and may be purchased at all money-order post offices and banks. With a population of only 8,000,000 people, the sale of war certificates in Canada has averaged \$1,500,000 a month for the last six months. More than 130,000 certificates have been sold, from which a total of \$6,000,000 has been made available for war purposes through these small investments.

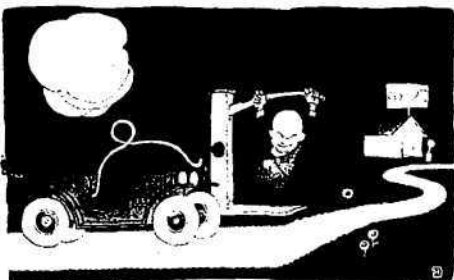
If, then, I were asked to sum up some of the advantages in our adopting some such plan as has been found necessary by our Allies, I should mention these points:

First, by converted saving, those things which we individuals have to buy will cost us less than they otherwise would, in competition with the government, which has first call on all products it needs.

Second, an enormous reservoir of collected savings will be put at the disposal of the government, which must have the money and should get it from each one of us in proportion to his means.

Third, the point upon which I laid great stress in the early part of this paper, as a people we shall have cultivated a habit of efficient providence, of care rather than of carelessness—qualities that will go far to affect materially—and for the better—all our national activities.

Fourth, at the end of the war those who have saved and invested, each according to his efforts, will have laid by a share in the best security the world (Concluded on page 32)



Thrift is Not Saving and Conserving Merely, But is Self-Denial

his principal. The certificates have fixed cash-surrender values for intermediate periods between date of purchase and date of final maturity. Each member of an Association pays in 6d (about 12 cents) a week for any other minimum sum that may be fixed by the Association, and when a member's paid installments aggregate 15s 6d, a War Savings Certificate is delivered to him.

Some idea of the extent of the splendid movement may be gained from these facts: There have been formed in England and Wales over 1,350 local committees for educational work and organization.

More than 45,000 War Savings Associations have been established and affiliated with the central body, the National War Savings Committee: Up to June 16, 1917, 26,984,188 War Savings Certificates, equivalent to 107,402,674 single 15s 6d certificates, had been sold at a total value of \$416,000,000.

OUR problem-to-day is the problem that England faced two years ago. How shall we teach ourselves, how shall we teach every man, woman and child in the country to save?

A committee appointed by the British Chancellor of the Exchequer to study the question reported in January 1916, that two important objects were to be attained by the successful solution of the problem; first, the reduction of general consumption, such reduction tending to check the rise in prices; and, second, the raising of a certain sum of money for the prosecution of the war. In order to accomplish these results, the com-



Making the Railroads Over The Great and Permanent Changes in Transportation Which Are Being Forced on Us by War Will Vitaly Affect All Business, Big and Little

By EDWARD HUNGERFORD

HOW are the railroads standing? Is the terrific overload of war-traffic—men and munitions, food and fuel—piled upon them in addition to their abnormal commercial traffic, which started three years ago and came to a flood-tide more than twenty months past, breaking their backs? Or, is the transportation structure of the United States going to stand under the overload and so justify the faith and confidence of the men who have been closest to it during its years of prosperity and its years of adversity? What of the engines and the cars; of the tracks and of the terminals? And what of the men?

These are questions which are to-day being asked and reasked—all the way across the land. They are questions which you, yourself, are asking. It is your problem as well as the perplexity of some troubled executive down in a big railroad office. For, after all, they are your railroads. That statement is true, even if you have never owned a dollar's worth of railroad stock or bonds. True, even if you do not happen to be a merchant or a manufacturer—true, even if you are not in business of any sort. For it is the railroad that puts the coal in your bins, the food in your larder, the very clothing upon your back, that transports you here and there and everywhere across the face of one of the broadest of all broad lands. It is your railroad.

It is your war, too, the railroad—your railroad, if you please—is helping you fight it. It is bringing men and their supplies—in the course of a year, five tons for each and every fighting man—from the interior of our broad land to its narrow rim of seacoast. It is keeping the wheels and the forges of a thousand munition factories warmed, alight and unceasingly at work, bringing to them by day and by night the raw materials upon which their very activity is depending; and taking away in turn the finished products which, directly or indirectly, are to do their own part in our winning of the war. A great task this. And one wonders how the railroads are measuring it—in cars and in engines, in tracks and in terminals—and in men.

Not Good Railroading But Super-Railroading

TAKE one thing at a time—and this time let it be cars and engines, with the possible exception of man power, the most serious and immediate phase of the railroad operating problem to-day. We have told recently in THE NATION'S BUSINESS of the extra efforts being made by the railroads of the land, large and small, toward the conservation of their cars. We have shown how they organized a cooperative educational campaign for better loading; and how it has succeeded. In a more recent issue we called attention to the remarkable "sailing day" or "shipping day" of the Pennsylvania railroad, whereby less-than-carload freight was to be shipped in through cars on designated days from certain district receiving stations of the large cities to the important communities upon that system and its connecting lines. The shipping-day plan was placed in effect in Philadelphia on Sep-

tember 2; in Baltimore and Buffalo on October 1, and in New York and Pittsburgh on the first day of November. The figures from the first two of these cities are now complete enough to show the general working of the plan. They are encouraging:

In Philadelphia, ninety-four cars a day were saved in September. More than this, the average load in the less-than-carload freight box-car was increased from 6.8 tons to 9.1

THIS article is based upon an interview with Mr. Julius Kruttschnitt, Chairman of the Executive Committee of the Southern Pacific Railroad, and other railroaders. Mr. Kruttschnitt—"J. K. of the S. P."—as he is known from New Orleans to Portland—is one of the very greatest railroad executives in America—one of the most practical operating men to boot. This is shown by the fact that Mr. Kruttschnitt was chosen as one of the five men to sit on the Railroad's War Board, as the Special Committee on National Defense of the American Railway Association is generally known.—Editor.

tons—this last a really remarkable showing for merchandise freight. Nor is this all—the Philadelphia manufacturer or distributor must be rejoiced to know that under the new plan merchandise freight is going from Philadelphia to York in two days as against an average of 8½ days only a few weeks before the plan was placed in operation; to Dayton in 2½ days as against 9½; to Toledo in 3 days as against 7½; and to Fort Wayne in 3½ as against 10 days.

To say these figures are encouraging is to put the matter lightly. Already I have shown how they are being translated into a total car saving. And that total is no small figure. It hardly could have been a small figure when one comes to realize that in July last the larger railroads of this country, comprising more than 85% of the total mileage, carried exactly twenty per cent more freight than in July, 1916. Any railroader can tell you that 1916 was, up to that time, a record-breaking year. Yet, the railroads did their vast traffic of this last July with an increase of but 2-3 to per cent freight cars over July, 1916.

This has meant not merely good railroading, but, if you please, super-railroading. It has meant the exquisite conservation of limited resources at hand; the use of every one of 2,250,000 freight cars to its utmost possibilities. The possibilities gained by a more scientific and efficient loading we have already seen. And we have seen in the Pennsylvania's shipping days, now adopted by a large number of other progressive roads, just one of the methods of better operation, once the car is efficiently loaded by a shipper warmed by a patriotic spirit of cooperation.

The shipping-day is but one of the operating methods by which the great national tonnage gain was made, with practically no gain in the number of containers. There are many others. The railroaders know that. They know the care that the men in the freight train service, from engine head to rear caboose

platform, have used in the handling of the cars so as to save them unnecessary abuse and a long calendar of minor accidents. And when the inevitable has come, and the car has been absolutely compelled to go either into the shop, the repair yard, or upon the cripple track, the boys of the repair gangs have felt that they too, were in patriotic service. They have lived with one another in both the speed and cleverness of their emergency repairs.

But, you say, the cars cannot go on forever under strain and in many cases actual overload. And, you ask, why cannot new cars be bought? Surely, if the railroads cannot finance them at the present time, the Federal Government, in the process of raising billions of dollars for the war, can afford to spare a few millions for the proper maintenance of one of its arms most essential to the successful prosecution of that self-same war.

Your point is not a new one. Hardly had the United States entered the great conflict before it was being suggested that the United States either build or underwrite the building of 150,000 box cars to help the railroads in their present crisis. On my desk lies a bill introduced in the House by a member of Congress from southern Indiana, the Hon. Oscar E. Bland, which, in brief, authorizes the expenditure of \$100,000,000 for this purpose. The bill in itself is admirable. There can be no question of Mr. Bland's practical and patriotic purpose in introducing it.

But the railroads will have none of it. I talked with one of the big railroaders—the president of one of the largest of our eastern systems—about this idea when it was first broached and long before Mr. Bland introduced his measure.

"It is very interesting in theory," said he. "But at the present time, I am afraid of it in practice. It would do us very little good indeed to have a flood of new cars and then not have sufficient new locomotives to pull them, sidings upon which to stand them, or men to operate them. A railroad is efficient only insofar as it is able to keep its equipment moving steadily. A congested road is the reverse of efficient. Ten years ago, and steadily since that time, the roads were calling the public's attention to their needs for greatly increased rolling stock and track facilities. And the result was that the first time they were called upon to handle a traffic greatly in excess of anything that they had before been asked to handle they had to rely almost entirely upon their increased efficiency methods and the loyalty of their personnel in order to bear the burden."

How to Insult a Railroad Man

AND it is all but the height of insult to even insinuate to the practical railroader that these increased efficiency methods are an outgrowth of the war—as has been imputed so many times. The practical railroader very well knows that the most of these methods were in his mind many months and even years ago. But in those days he could not put them into effect. It took the actual declaration of war and the bringing of all the railroads of the whole land into a single unit of operation—to



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The railroad—it is bringing men and their supplies, five tons for every fighting man, from the interior of our country to the sea. It is keeping the wheels and forges of a thousand munitions factories warmed, alight, and unceasingly at work, bringing them what they must have, and carrying their output toward the front. A great task this; and one wonders how the railroads are measuring to it in cars, engines, tracks, terminals, and men.

say nothing of the cooperation of all the federal and state regulatory boards, offered freely for the first time since their creation—to bring these efficiencies into actual existence. Most of them have already shown their worth. But nowhere more definitely than in the conservation of the rolling-stock.

There is another reason why the average railroad executive does not warm to the Bland bill. He sees in it an entering wedge for government ownership and control of all the larger systems of the land. Anxious as he is for financial relief, he very much prefers to have this come in the form of increased rates which, in turn, will enable him to go into the money market and make his own loans. In this way he feels that he can restore and permanently maintain his property to the fullest efficiency—and yet continue to keep the ogre of government ownership at full arm's-length. And there is not the slightest question in his own mind as to which of these two courses he would prefer to follow. It is hard enough to have the government as a critic and a censor, without also having it for a banker.

THE interesting part of the car and locomotive situation, however, lies in the fact that its relief is not at this time dependent upon financial relief. Before the war broke overseas this was different. Prices for engines and cars were low, the equipment builders going here and there fairly begging for orders. It was a rare chance for the roads with ready money and most of them took advantage of it. But there were few such. The fiscal year

which ended June 30, 1915, was absolutely the worst which the railroads had experienced in many years. And when the full tides of war traffic burst upon them, the opportunity for buying low-priced equipment was gone—perhaps forever. Prices skyrocketed—almost overnight.

Yet the railroads up to the time of our own entrance into the conflict were making some genuine headway in gaining rolling-stock. A report issued in June by their central organization at Washington—the War Board of the American Railway Association—showed that they had placed in service since November 1, 1916, 44,063 brand new cars and 989 new locomotives. This, however, was not an absolute net gain. The hard strain of over-traffic upon the roads for many months had forced some of their rolling stock beyond the possibility of further repairs and into the scrap heap. In June last there were either under construction or under contract for construction, 104,917 cars and 2,200 locomotives. A report issued confidentially by the War Board in October shows that figure to be but little changed. For a new factor—in addition to the scarcity of raw materials and of labor even at the highest prices—had thrust itself into the situation.

America is at war. America has Allies. The Allies, too, have railroads. And many of those railroads—particularly in France and in Russia—have suffered fearfully under the depredations of the enemy. They are crying to the United States for transportation help—for rails and bridges, for engines and cars—and for trained railroad men. Difficult is the situation of our carriers; but critical is the condition of the French and Russian roads upon which the rapid transport of armies and their munitions—the actual winning of the war—is actually dependent.

Our roads have come to their aid—with a generosity that is as yet hardly appreciated across the land. They are giving the rails and the bridges—and they have given and are still giving much of the best of their personnel. Because of varying track-gauges and other necessary interchangeable forms of railroad equipment, it is hardly possible to ship their cars and locomotives overseas. They have

done the next best thing, however. They should wait—that the great railroad equipment shops of the United States should and would.

be given to the more pressing needs of our Allies. So it is that Russia alone is to receive close to a thousand locomotives from this country before 1917 becomes a mere matter of history; that there are to be considerable engine shipments as well for our own new military railroad between tide-water and the head of the battle line in France. If Russia is to be kept in the fight and the lives of many hundreds of thousands of Americans saved she will need another 2,000 locomotives in the coming year; and France and England together will need at least half that number. And the total capacity of our locomotive plants—even when they are able to maintain their full mechanical forces—does not exceed 5,500 engines a year.

There are a few of our larger roads—the Pennsylvania, the Milwaukee, the Southern Pacific and the Louisville & Nashville—that are able to build locomotives. All of these are hard at it. The great Altoona plant of the Pennsylvania is under a tension that it has never known before. And away out in Sacramento the Southern Pacific is building fourteen locomotives—ten of them freight and four passenger—building them almost entirely out of extra repair parts which it has been accumulating in recent years. That they are well-built almost goes without saying; the Southern Pacific has a remarkable record for efficiency. One of these new passenger engines as it came out from the shops for the first time recently was placed in troop train service. In three days and a half it averaged more than 400 miles a day—a remarkable performance; particularly for a locomotive that had not been given any fair opportunity for limbering up and getting out of the stiffness of extreme youth.

The problem of the locomotive looms large. For even the dumbest numbskull must know that cars cannot move without engines. And the railroaders know that a locomotive is far more sensitive to over-use, as well as abuse, than the car.

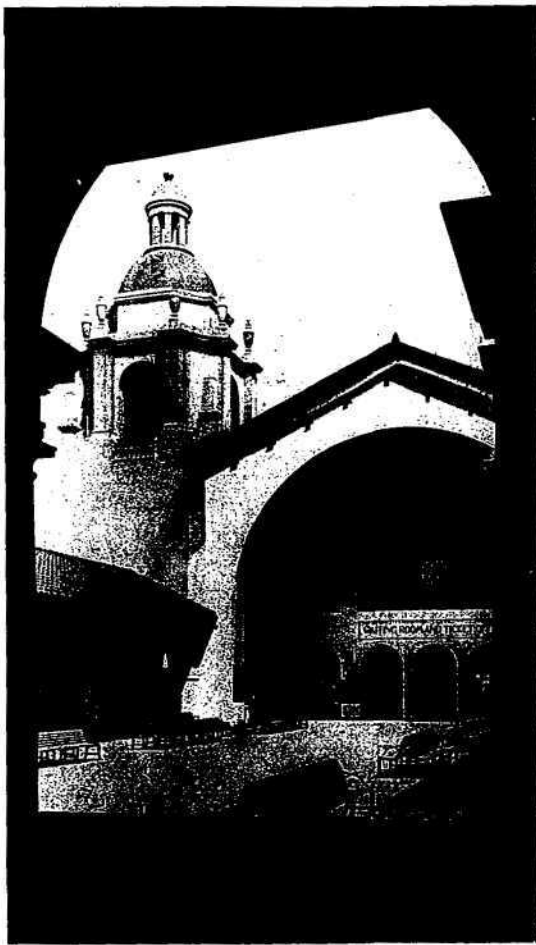
Do you own and drive an automobile? If you do you must realize that the possibilities of that car are, to an extent, limited. Every so many miles it must have new tires and even

its engine must periodically have its cylinders cleaned free of carbon, its valves ground and reset; there are other repairs and replacements that are inevitable even in the best of motors

"back shop" for more thorough reconstruction or repair. The men in the engine shops have competed with their fellows of the car shops in the promptness and the thoroughness of their work. To have an engine in at night, creaking and groaning and losing power and to have her out again the next morning, strong and fit for her task, has even a common occurrence. And even when the "back shop," with its heavier equipment, becomes an absolute necessity, there is no diminution of either speed or thoroughness.

It is largely because of records such as these that out of 30,277 freight locomotives in service last July, but 4,122—or 13.6 per cent—were in the shop waiting repairs. In the preceding July 4,461 locomotives out of 29,888 in service—14.9 per cent—were in shop, or awaiting it. In other words, by better shop and operating methods there had been in twelve months a saving of 7.6 per cent in locomotive efficiency. On some individual roads the showing has not been nearly so good. But these averages are fairly built upon 85 per cent of the mileage and practically all the important railroads of the land. Incidentally, it should be noted that the average daily haul of these 30,000 locomotives this July was 68.8 miles as compared with 64.4 miles in July of last year, which totals this year into an impressive figure of 23,485,629 miles, or eight and one half per cent over July of last year.

While there are few, even of the larger roads, that have permitted themselves the large initial expense of installing extensive locomotive construction plants, but have "shopped around for the power" instead, there are few, even of the smaller roads, that have not established complete car shops. And, in order to permit outside car builders to work upon French and Russian orders, these are now running at as full time as the labor supply will permit. The Southern Pacific, with its shops from one end of the system to the other, is short more than 10,000 men of its normal forces, and a fair example of existing conditions. We have seen how it is building locomotives. In addition, it is constructing between 4,000 and 5,000 new freight cars this year, with at least an equal output promised for next. It has adapted its construction methods to the exigencies of the situation. In other (Continued on page 52)



America hasn't Europe's cathedrals—and Europe hasn't America's railway stations. In the grimy and sombre terminals of the old country there is nothing to compare with the majesty of New York's Pennsylvania depot, the brilliance of the Grand Central or the calm beauty of Washington's Union Station. This picture of the courtyard of the Santa Fe Depot at San Diego shows how the idea of combining inspiration with every-day utility is finding expression in all parts of the country.

and under the most moderate and reasonable use. And if the automobile is put under pressure service—if its average daily mileage is doubled or tripled—there is going to be a corresponding increase in repairs. That is unavoidable.

SO it is with the locomotive. And the plan generally adopted by the roads of the country has been to maintain emergency repairs upon their power rather than to delegate it to the

The Human Side of Hon. Congressman

DICKENS' Uncommercial Traveler opined that there might be subtle influences in talk, to vex the souls of men who do not hear it. "How do I know but that talk, five, ten, twenty miles off, may get into the air and disagree with me? If I rise from my bed, vaguely troubled and wearied and sick of my life, in the session of Parliament, who shall say that my noble friend, my honorable friend, my honorable and learned friend, or my honorable and gallant friend, may not be responsible for that effect upon my nervous system? Too much ozone in the air I am informed and fully believe (though I have no idea what it is) would affect me in a marvellously disagreeable way; why may not too much talk? I don't see or hear the ozone; I don't see or hear the talk. And there is so much talk; so much too much. Hence I find it a delicious triumph to walk down to deserted Westminster and see the Courts shut up; to walk a little further and see the two Houses shut up; to stand in the Abbey Yard, and gloat upon the ruins of talk. Returning to my primitive solitude and lying down to sleep, my grateful heart expands with the consciousness that there is no adjourned debate, no ministerial explanation, nobody to give notice of intention to ask the noble Lord at the head of Her Majesty's Government five-and-twenty pointless questions in one, no term time with legal argument, no Nisi Prius with eloquent appeals to British jury; that the air will to-morrow, and to-morrow, and to-morrow remain untroubled by this superabundant generating of talk."

Transferring these reflections across seas to the gray old pile on Capitol Hill, with its reverend dome against the blue and gold of an October day, a Washington "Boz" may indeed feel a kind of relief that a Thaddeus of Warsaw peace reigns within; but it is a tranquility and not an embittered relief. Gentlemen have disagreed; gentlemen have disputed and argued; have been captious, betrayed political and personal animus, grazed the edge of treason at times; but out of the ruck of wrong-headedness on occasion betrayed, gentlemen have nevertheless been able to produce, when the test came, a sound American heart. In segregating certain utterances from the mass in the Congressional Record, it is the expressions of this heart which seem, now that the volume of the Sixty-fifth Congress, first session, is made up, most significant.

Pro-German Charge Revisited

THE country has been vexed and disturbed by certain utterances which, in the circumstances, have savored of pro-Germanism in some of her lawmakers. These charges of disloyalty appear to have been bitterly resented wherever made. Mr. Mason, of Illinois, in addition to the protection he claims under the Constitution for his utterances both off and on the floors of Congress, endeavors to place both his ancestors and his progeny between him and the attacks that his remarks have brought against him:

I am charged, Mr. Speaker, with holding German meetings. I can only answer it by saying that it is not true. That is all there is to it. I have spoken at the meeting which he [Mr. Heflin] has mentioned in one part of his speech and made the speech which I practically

And Because He Is Human He Passes From Deliberation on the Destiny of Empires to the Price of Parsnips, Ranging as He Goes From the Retort Courteous, and the Quip Modest, through the Reply Churlish, and the Reproof Valiant, Past the Countercheck Quarrelsome. On to the Lie with Circumstance, and Not Infrequently, the Lie Direct

made in Congress, that whether not we opposed conscription, the law had been passed. But while I told the people that we must obey the law, I also told them that they had a right to meet and petition Congress to amend or repeal or change any law, and that is a constitutional right.

Every gentleman hates to speak of himself. I think as we get older we learn how uninteresting our personal reminiscences are to those about us, and when you learn that you are uninteresting you are liable to stop; and certainly no gentleman likes to speak of his ancestors or his conduct, and I would not do it now except that I am driven to it by this personal assault upon the integrity of myself and my family.

MR. MASON, OF ALABAMA. I make the point, Mr. Speaker, that any question of the gentleman's ancestry is not pertinent to the issue before the House.

THE SPEAKER. That part of the point of order is sustained. Of course it is exceedingly difficult to find a chair or a yard or a field.

MR. MASON. I think if the Speaker would hear it he would say it is not out of order. I am charged with holding German meetings in German wards.

THE SPEAKER. I know. So far as that is concerned, the Chair will allow the gentleman to continue it in any way he chooses so long as he confines himself, as he will do, to parliamentary language. But the extraneous matters of ancestry or anything of that sort have nothing to do with this question of personal privilege.

MR. MASON. I was about to state, if the Speaker please, when charged with holding meetings for Germans I was about to state that

THE SPEAKER. What fact? MR. MASON. That I am of English blood, and that that statement could not be true, when charged with being German and pro-German; and I think I have a right to state what my past has been and that my antecedents are.

THE SPEAKER. The trouble about that statement is that the gentleman may think it is pertinent, and the Chair in the discretion he has may not think it is pertinent, and the opinion of the Chair in the matter overrules the opinion of the gentleman.

MR. MASON. Yes.

THE SPEAKER. I might think your ancestry has nothing to do with it. I might stand up here for an hour and tell about mine and it would not throw light upon anything. The gentleman will proceed in order. The gentleman has already stated it.

MR. MASON. I had not at the time I was interrupted. I am charged with the most serious thing that can be charged against an American citizen. Treason is punishable with death, and the man who is guilty of it ought to be subject to that penalty and I stand here charged with being pro-German, and say that my ancestors have fought in every war, from the Revolution down to the Civil War, in defense of the integrity of the United States.

Treason! From the time I was 11 years old until I was 15 I stood guard nights along the river, when I was too young to be enlisted. Ragged, I suffered as your boys did in the South; patched trousers, shirts made of flour sacks. I nursed the sick and stood guard at night with old men and boys in the home guard. I ears

were shed when my oldest brother gave his life at Gettysburg for the Union, but there was a feeling of sorrowful pride on the making of so great a sacrifice. And when you declared war here and I was defeated in my vote I was disappointed, but within 24 hours the only son I have at home, who I had making me as to loyalty. I had been pro-German, if I had been guilty of treason, if I had not been willing to surrender my individual opinion to the majority, the result would have been different, and before the sun set on the day war was declared my son had the permission, and the consent and the blessing of his mother and his father. [Applause.] And when you talk about sacrifice—that boy was the only one left at home—it took more sacrifice and more patriotism to say "No" than the man ever had or ever will have who raises the question as to my loyalty, and my love of my country.

THE SPEAKER. The House will be in order. MR. MASON. If money was used in the circulation of my speeches, it was well spent. If anyone opposed to my Government circulated those speeches, on the honor of a gentleman I did not know it. Money has never been attractive to me. Sometimes when I see things that I want and things I would like to do, I wish for it, but when they talk about money in connection with this legislation, it is cruel, it is wicked, it is not kind, it lacks the stamp of a Christian community. There is not a man in this House who would be influenced in a matter of that kind—not a man—to desert the honor of his flag for a money consideration. I would like to do it, I wish for it. Not one of you gentlemen could come here from your districts if your neighbors did not know that you were good Americans—I do not care whether you disagree with me or not—and this will talk about money is cruel and unjust. It is unfair. I never had it. I am like the distinguished leader on the Democratic side. With nine children, how could you expect to have any money.

What Mr. Howard Really Said

ON the morning of September 27 there emanated from the Department of State a disclosure of German intrigue which came home to Congress and caught its attention. It is interesting to follow Mr. Howard, of Georgia, as he recalls just what he did say about this revelation:

The only gentleman who interviewed me was a splendid young gentleman for whom I have the very highest personal regard, Mr. Plummer, of the New York World. Mr. Plummer came to me when I was on my way to the restaurant for lunch and asked me about the von Bernstorff exposure.

I said to Mr. Plummer that I did not know what the exposure was, and asked him to state what the contents were. He said that the State Department had disclosed some evidence that von Bernstorff had been authorized, or had asked for authorization from the Imperial Government, to spend \$500,000 for a corruption fund or some other fund to be used among Members of Congress, or to influence Congress. I told him that I had not heard anything about it, which I had not up to that time. He said, "What do you think about it?" I said, "Well, if that is all he is going to spend in corrupting Members of Congress the Kaiser is a cheap skate"; that I did not think that would get him very far. He laughed, as I said it in a joking way. Then he asked me whether or not I was in favor of an investigation of it. I have not seen his published report of that interview. I said, "Yes; if it is authoritatively and officially stated from the State Department that this is true, and if it will not turn out to be another 'kiss investigation,' I will most heartily support a resolution calling for a sitting and searching investigation."

Making New Russia Safe For the American Dollar

and the Dollar—Especially the Dollar—So That She Will See Less of the Mark

By C. H. BOYNTON

President, American-Russian Chamber of Commerce

NEW Russia is not the terrifying thing which she is made to appear from the traditional point of view from which Americans persist in regarding her. Unfortunately, to most of us, she is still the "Dark Russia" of half a century ago. We have not forgotten the exile system. We have not forgotten the picture that used to be painted by writers anxious to show conditions as black as possible.

If Americans are to get on with the new republic, they must change that point of view. That may mean, it probably will mean, in the case of those who have never visited Russia, the giving up of every opinion now held on the subject.

When my family and I returned from that country, we were greeted by our friends as if we had, by good luck or strategy, escaped in safety from a land where life was in constant jeopardy. Yet there never was a moment, during a four months' stay, from the days of the Revolution to the day of our departure, just before the last serious ministerial crisis, when my wife, my young son, or myself was in the slightest personal danger. Our life was as peaceful and as free from interference as it would have been in the United States.

The scrapping of old industrial Russia and the building of the new offer us undreamed-of opportunities. Bound up in the commercial friendship which we are asked to accept, there may be, there almost certainly will be, a political friendship, hinted at by the Russian Ambassador in his speech at the War Convention of American Business, the possibilities of which we can now no more than glimpse. We can take those opportunities or leave them. Russia is more than willing that we should take them. It is for us to choose, now, whether or not we will miss them through a narrow provincialism fatal to any adventure into the international field.

Convinced of the fundamental strength of Russia and of the sturdy character of her people, I am surprised that Americans with an eye for the "main chance" should allow temporary political conditions to obscure their vision of New Russia. She is, it is true, grievously tormented in her political situation. But what of that? Is her situation much worse than that confronting every other nation at war?

From the autocracy of Nicholas II to a republic whose representatives have been elected by the people is a step in the evolution of a government which no reader of history could expect to occur within a brief period of time or without grave disorder. The great masses of the people are without a heritage of political principles to guide them in establishing their new liberty. Republicanism has come so suddenly that neither the leaders nor the masses are prepared to adjust themselves immediately to it.

To form a stable government in Russia might be thought to be an almost insurmountable task, yet I have such an abiding faith in the reasonableness, patience, intuition and character of the Russian people that I believe serious civil war will be averted, and that gradually government, order, and aggressive defense of the nation will be brought about.

Even admitting the worst possibility as a certainty, that Russia must pass through civil war, I recall that our own country endured four years of such strife. At the end of it, we were exhausted physically and financially. We had a huge indebtedness. We had less credit than Russia has to-day. We had suspended specie payment. Yet the close of the Civil War marked the beginning of that tremendous commercial and industrial expansion which has carried us from the position of a heavy debtor to that of a heavy creditor nation. Then it was the foresighted foreigner

whose money developed the United States and permitted us to grow until we were able to repay our indebtedness and turn the scales in our favor.

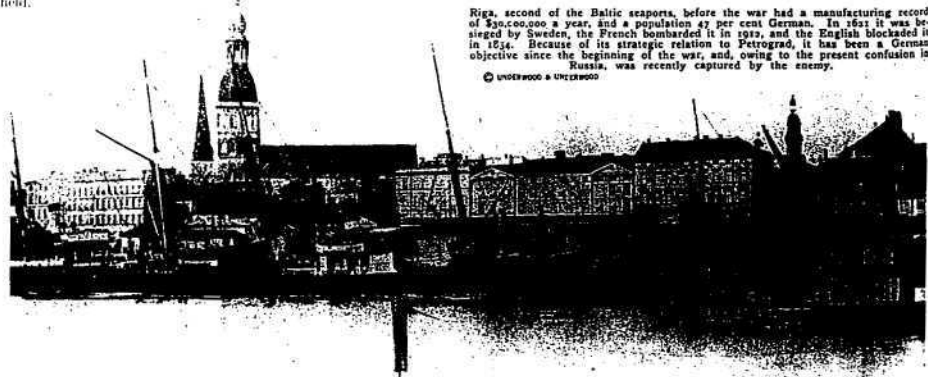
Civil strife, though it last for years, will not take an ounce of undeveloped copper, zinc, lead, coal, oil, gold, silver or iron from Russia's soil, will not decrease her transportation requirements nor limit the enormous possibilities of agricultural and manufacturing production. They will not curtail the development of public utilities. They will not put a stop to the growth of this huge nation when freed from the repressive influence of autocracy, when individual initiative finds an opportunity to carry out the progressive development of Russian resources.

THE overturning of an autocratic government and the quelling of the political disturbances which follow almost as a matter of course are only the first steps in the making of New Russia. The next must carry her forward into a new industrial era. The industrial machinery of every nation at war, showing, as it will, the wear and tear of the great conflict, will have to be overhauled and repaired, and in places rebuilt. Russia's task, however, goes farther than that. In her case, as I have already said, it means very largely the scrapping of the old order. Great as that task is, I do not doubt Russia's capacity to accomplish it. No other belligerent nation, to my mind, with the single exception of the United States, will so quickly, out of its own resources, reorganize its forces of commerce, finance and industry as Russia.

Russia has every incentive to do this. For one thing, she will have to accumulate vast savings in order to liquidate the debt which war is charging against her. Already that debt, added to her pre-war obligations, has reached nearly \$20,000,000,000. It will

Riga, second of the Baltic seaports, before the war had a manufacturing record of \$20,000,000 a year, and a population 47 per cent German. In 1912 it was besieged by Sweden, the French bombarded it in 1915, and the English blockaded it in 1916. Because of its strategic relation to Petrograd, it has been a German objective since the beginning of the war, and, owing to the present confusion in Russia, was recently captured by the enemy.

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call for annual interest payments of more than \$1,400,000,000, of which approximately \$400,000,000 will go to foreign creditors.

The simplest solution of her problem lies in increased exportation of raw materials, elimination of unnecessary importations of merchandise, and stimulation of home production. Thus can Russia establish foreign credits necessary to meet her debts abroad and secure the machinery and material which she needs from other countries. Industrial regeneration is imperative. In no other way than by intensive development of her natural resources and the extension of manufacturing enterprises can Russia hope to discharge her obligations.

Additional transportation capacity is a capital need. Railroad facilities, docking facilities, shipping facilities, these, with all the industrial activities which they imply, must be increased and modernized. The greatest of all transportation problems center in the railroads. With those left unsolved Russia cannot become an important manufacturing and industrial nation. She has approximately only 46,000 miles of railroad track as compared with 235,000 in the United States. The new government, realizing the country's plight, has already outlined a program for the expenditure of \$300,000,000 for railroad construction during the next few years.

THE government sees the necessity of opening to new capital the country's heretofore closely-held and inefficiently-managed stores of wealth. The mineral resources must be wrenched from the hands of the concessionaires. Water power must be translated into electrical power, city tramways must be increased and interurban trolleys constructed. Agrarian problems must be solved, in order that the depths of agricultural possibilities may be sounded. In her great work of reconstruction, there is nothing (I mean the word advisedly) in the way of commercial products which Russia will not need when the war ends.

Russia has the material supplies with which to work—the economic regeneration of which I have spoken. Her laboring population, however, and the country itself, have not been developed. In bringing about that regeneration, the country will need foreign capital, organizing ability in the establishment of industries, equipment of machinery, and general merchandise in immense quantities.

The men at the head of affairs are under no delusion as to this necessity of attracting foreign investors. They know, too, that in order to attract them they must make investments safe; more than that, they must remove obstructive restrictions which would not only drive away capital but also prevent Russia from deriving the fullest benefit of such as ventured into that field. Many embarrassing regulations and burdensome royalties and taxes have already been removed. Russia, therefore, is preparing for the new

day. While we read of the surface struggle within her borders, we learn nothing of the great reconstruction, political, commercial and economic, which is under way. Scarcely any branch of governmental activity has escaped the attention of a committee of reformation. Commissions have been sent broadcast to study manufacturing, mining, railroads, textiles, and every other branch of business. Russia is exacting a tribute of knowledge from other countries as to the methods and the laws by which they have utilized their resources and fostered their industries—all to the end that she may have the best the world affords in the remaking of her laws. One commission is reorganizing the press service, another legal procedure. Corporation law and mining law, in fact almost every statute affecting the economic life of the country, is to be rewritten.

To American capital desirous of taking part in the development of the country, the government will lend every possible assistance. Production is a matter of such immediate urgency that the government will aid, in every way it can earnest, substantial pro-

No other country in the world is so well equipped to cooperate with Russia in this gigantic work as the United States. We have the needed surplus capital, the organizing capacity, the machinery and the merchandises. And American business interests have the added advantage of being familiar with the economic problems which Russia now faces owing to their resemblance to the questions which the United States has solved. My observation has convinced me that Russia in the past has been exploited by nations whose area was such that their methods were intensive. What Russia needs is extensive development, along the lines followed in the United States during the last 50 years. The United States is, perhaps, the only nation in position today to invest great sums in that country. Enterprises both governmental and private will offer a large field for the employment of American capital.

If we in the right with the approach the opportunity spirit and carry it through intelligence and the energy which have built up our own country, we shall have little to fear from any competitor. The present government is anxious to secure the assistance of America, and I am convinced that if we show the right disposition we shall have the cordial cooperation of the Russian people. It is not to be expected that American firms can build up a large private business in Russia during the war. It should be emphasized, however, that the present is the time to study the market and lay the foundations which will enable American firms and investors to play an important role in the period of reconstruction which will follow.

Russia wants American cooperation because she has confidence in our international integrity, and believes that we would not become politically interested in the affairs of the nation. She feels that she would not have to

fear such domination as resulted in grave injury to her welfare through the German exploitation of her economic life prior to the war. She wants us, furthermore, because she realizes that it is American energy and American methods which are best adapted to Russia's needs.

If American manufacturers accept Russia's invitation, if they show persistence and put forth systematic efforts, it can be confidently predicted that after the war Russia will be an extremely important market for American



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To Siberia goes a large share of the credit for Russia's fur trade, its fur wealth being greater than that of Russia or Canada. The Tungusians of eastern Siberia, a leafless race of forest hunters, nearly all lead nomad lives in pursuit of fur-bearing animals whose skins they exchange with Russian traders for clothing and provisions. The dress of the girl in the picture shows decided Japanese influence, due, no doubt, to Siberia's long intercourse with that country.

ducers who will join their financial and business forces with those of Russia. As a speaker said recently, "We must go to Russia in a spirit of cooperation and helpfulness, and demonstrate our desire to explore, not to exploit."

That expresses exactly the attitude so often explained by members of the present ministry. They want honest, well-meaning business interests, but they will not deal with the broker who is only trying to be an intermediary for personal gain.



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This housewife will need a new supply of kitchen goods when the war is over and we have a chance to supply her. There have been no imports of such utensils since war began and those in great demand have been disposed of. Of foreign makes, the cheaper qualities are supplied by Germany; England controls the medium quality, and the United States ships a good proportion of superior goods. The Russian is willing to pay a higher price for American tools, some of which are so ingeniously constructed that the Russian user is often heard to say, "Molodetz Amerikants!"—"Clever American."

automobiles, railroad supplies, iron and steel products, agricultural machinery and implements, tools, leather goods, including leather belting, boots and shoes, electrical appliances, and all forms of equipment machinery.

The greatest returns in business come from opportunities seen far in advance and investments then made along conservative and proper lines. In times of panic and general discouragement, the greatest opportunities occur. That is the situation in Russia to-day. If American business men wait until the skies are clear and the road firm and sure ahead, they will find others more courageous and farsighted have occupied all the vantage ground.

I urge American business, then, to send its representatives to Russia now, so that they can learn the country's wants, make advantageous connections, learn something of the language, and be prepared to seize the opportunities which will come with peace.

I am not one of those who believe that German domination of commercial life in Russia as it existed before the war will be made impossible in future on sentimental grounds. Germany is a commercial neighbor of Russia and knows her moods and habits. German is the commercial language of the country. Even now, German interests, through other hands, are trying to get control of certain lines of Russian industry. Germany wants the Russian market, and believes that she will again control it. If she does, it will be because America fails to grasp the possibilities before her.

In forming our judgments as to Russia, we should let neither friend nor foe, neither

England nor France nor Japan on the one hand, nor Germany on the other, influence us. Let us obtain an independent American view of conditions, from Americans who are on the ground, or have been on the ground, and know the present situation—from our consular and diplomatic representatives, and the corporate interests which have already established themselves in Russia. Our conclusions should rest on the reports of trained business men, capable of judging business opportunities.

The best minds of Russia are at work trying to formulate a common school system modeled on that of the United States, which will give to every Russian child a compulsory education.

Picture the Russia of 50 years hence, the Russia of universal education, of a sound and stable constitution, and of a vigorous initiative. That is the Russia in the building of which we should have a hand.

If it is not for the
Common Good

It is not for the
Good of Business

AMERICAN shoe manufacturers have it in their power to increase their sales in New Zealand in spite of the preferential tariff that operates against them, says a report issued by the Bureau of Foreign and Domestic Commerce, of the Department of Commerce. American shoes are as well thought of there as in other parts of the world, and the strongest bid for patronage that a retailer can make is to show in his windows shoes marked "Latest American Style."

The business obtainable in the New Zealand market is well worth cultivating, for the merchants are a most dependable class of careful conservative shoe dealers, and the people can afford to buy higher-priced footwear. Of the \$2,000,000 worth of footwear imported in 1916, only about \$175,000 worth came from the United States. There is little question that American shoes could hold a more important place in the market, says the Government report, if more sales energy were back of them. Other shoes are being sold for fully as high prices as would have to be charged for American shoes, grade for grade.

The bulletin analyzes the New Zealand markets for boots and shoes, the merchandising methods of the trade, and the shoe manufacturing industry of the island, and there are chapters on harness and saddlery, hides and skins, and the tanning industry. Copies are sold at 5 cents each by the Superintendent of Documents, Government Printing Office, Washington, D. C., and the district and co-operative offices of the Bureau of Foreign and Domestic Commerce.

The Army of the Shops

Labor, Like the Men Who Fight Abroad, Should Be Mustered Into Service, If We Are To Put Power Behind Our Blows

By CHARLES NAGEL

Former Secretary of Commerce and Labor

DURING the early weeks of our war a distinguished officer was asked what would be the controlling factor of the struggle; and his reply was "Labor." Such an answer from such a source was no doubt unexpected; but inasmuch as it came from a man who was given to observation rather than declamation, his opinion was also calculated to invite reflection.

He has since then been confirmed by the representatives of foreign commissions. We were asked—almost warned—to profit by the blunders of Great Britain. It is not easy for the accredited representative of a great power to admit unreservedly the mistakes of his own country. Nothing short of the necessity of the situation could possibly prompt him to go so far. Certainly we should be ready and willing to accept the benefit of advice which was so frankly given in the interest of a cause.

Have we followed that advice? It does not appear that we have as fully as we should. There should be no disposition to minimize our difficulties; and it may be accepted that in many respects we will show an unparalleled ability to pull ourselves together for a common effort. But, at the same time, we do not appear so far to have grasped the magnitude of our labor problem in this emergency. We have preached and we have declaimed; but we have not achieved an organization for labor such as is essential to a sustained effort on a large scale. Our difficulty lies at the very threshold of the case.

Our mistake is fundamental. When we think and speak of labor, we have in mind only those forces upon which we have been accustomed to rely for manual work. In truth, we will be compelled to reach out for a much larger field of man power, in order that we may provide what the emergencies of a great war call for. Either volunteers or a draft system must fill the gap which unquestionably exists.

There is a disposition in many places to make organized labor alone responsible for this condition. The case is not as simple as that. If every member of the unions remained at his post, asking no questions about hours or wages, we would still be short of labor. True, organized labor may and should do much to aid the government. No doubt there are instances in which the uncompromising demands of unions have resulted in direct and serious embarrassment to the government. But let us be reasonable, and admit that the desire on part of labor to improve its fortunes has abundant illustration, if not justification, in the conduct of many proprietors, of whom it may at least be said that they were the first to take advantage of the war's opportunities.

This evil, in so far as it exists, is a common one; and we should

avoid the mistake of endeavoring to saddle responsibility for our discomforts upon a particular part of the community. Even now we are advised by commissioners from Great Britain that labor should be more distinctly or fully represented in the government's advisory committees. Whatever may be true in this respect, there is little doubt that here, as in many other directions, repression will accomplish less than a square appeal to patriotism.

Let us appreciate that if organized labor did its part in fullest measure; if every unpatriotic labor disturbance, however inspired, were suppressed; and even if imagination continued to provide its wanted share of hands,—a shortage of labor would nevertheless confront us at this time. It is a question whether we can supply that shortage at all by any measures that may be devised. But it must be clear that in no event can we succeed in doing so, unless we adopt a comprehensive system for both training and employing man power.

WE need a shop army. The accepted demonstrations of political patriotism do not reach the case.

Old time reliance upon political expression and remedy is blinding us to our real difficulty. Not even military patriotism, which naturally holds the imagination and the admiration of the public, is enough. We need commercial patriotism and shop patriotism. Many of our sons having joined the ranks, it is inconceivable why so much effort must be expended to place our war loans. The size of the flag is too often in inverse order to the tax return.

With our men

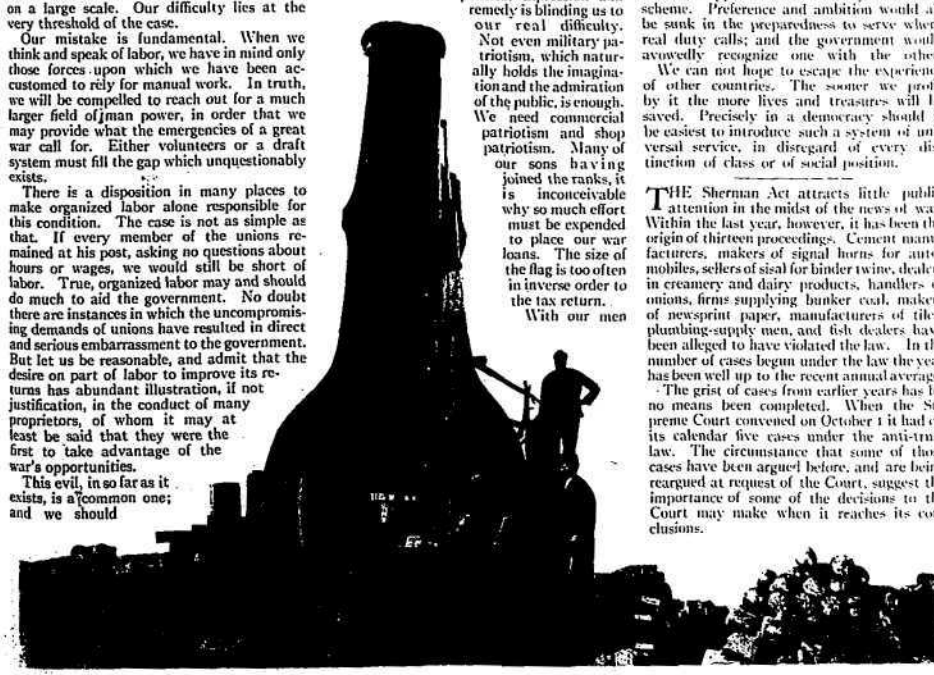
at the front or in the camps, it is absolutely necessary that every industry which is essential to the war be properly and promptly manned. The military army must be supplemented by a shop army. The democracy of the army must be applied to the shop. As the women work in the Red Cross, so men must volunteer or be drafted for the shop. There would be less glory for the individual; but there would be more security for the country.

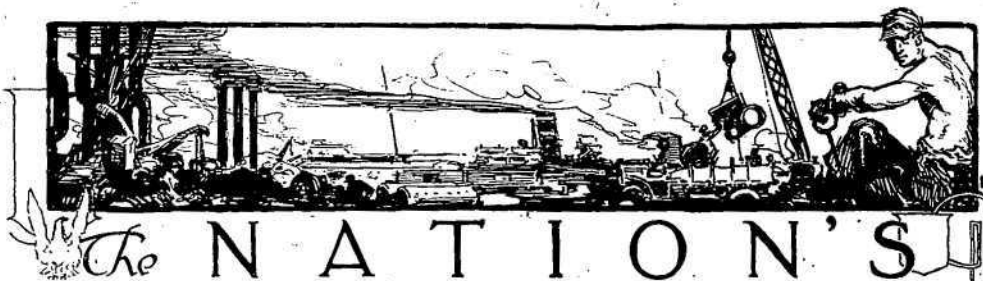
Skilled labor must be conserved for the government, and unskilled labor must be trained, in order that it may serve the government. Universal training and service are as essential for the shop as they are for the trenches. Neither can triumph without the other. One is as necessary, and, therefore, as patriotic, as the other; provided always that the government will take the responsibility to have it so understood. Men and women who agree to serve as and when they are most needed, must be protected against the odium of being regarded as slackers. We must have a system under which men are selected by competent authority for army or for industry, with sole regard to their ability to render service, and with no thought beyond the common welfare. And when these selections have been made, every man and woman so taking his or her orders, should receive an insignia of official recognition.

This, it appears would be a truly democratic scheme. Preference and ambition would all be sunk in the preparedness to serve where real duty calls; and the government would avowedly recognize one with the other.

We can not hope to escape the experience of other countries. The sooner we profit by it the more lives and treasures will be saved. Precisely in a democracy should it be easiest to introduce such a system of universal service, in disregard of every distinction of class or of social position.

THE Sherman Act attracts little public attention in the midst of the news of war. Within the last year, however, it has been the origin of thirteen proceedings. Cement manufacturers, makers of signal horns for automobiles, sellers of sial for binder twine, dealers in creamery and dairy products, handlers of onions, firms supplying bunker coal, makers of newsprint paper, manufacturers of tiles, plumbing-supply men, and fish dealers have been alleged to have violated the law. In the number of cases begun under the law the year has been well up to the recent annual average. The gist of cases from earlier years has by no means been completed. When the Supreme Court convened on October 1 it had on its calendar five cases under the anti-trust law. The circumstance that some of those cases have been argued before, and are being reargued at request of the Court, suggest the importance of some of the decisions to the Court may make when it reaches its conclusions.





Our Thoughts Turn Again To the Sea

SHIPs are surely regaining their ancient prestige among us. We are once more turning our faces to the sea, over which we came and which for generations was the center of our interest. For other generations we set our faces inland, to very good purpose, too, as the great part of the six million and more returns we shall file under the new federal law for taxes on incomes and excess profits will bear very substantial witness.

Now, we are going back across the sea. We need ships, and apparently we mean to have them. Since the Shipping Act became law, a scant year ago, and provided fifty million dollars for expenditure in some indefinite way, we have become more certain of ourselves, exalted the appropriation to the vicinity of two billion dollars, and learned pretty much what we want. Our great desire is for ships, and then more ships. Some are to be of wood, some of wood and steel, and the largest fleet will be of steel. To speed construction we shall take a leaf out of the book of our experience in bridge building, shape and construct many of the parts at inland plants, and ship them to seaboard for assembly.



The fleets we are to have begin to assume form on paper. The new vessels will soon begin to take the water with regularity. At the end of September 458 vessels carrying the American flag, either engaged in foreign trade or capable of it, and each with a capacity in excess of 1,500 tons deadweight, represented a total of 2,871,000 tons. This fleet is to be multiplied several times over. Twenty-seven shipyards are building thirty-five-hundred-ton wooden steamers on government account, and ten or more are at work on steel vessels. Engine-builders and makers of other equipment are busily at work, that their part of the task may not be backward.

Prospective totals are hard to guess. Official statements, however, afford some basis for an estimate. At the end of September the 458 vessels already in service under the American flag were to be increased by 117 German and Austrian ships, together with 400 steel vessels commandeered in all stages of construction. At the same time the Shipping Board's corporation had let contracts for 636 vessels. If all these vessels which are yet to be constructed are completed by the end of 1918, and there were no losses in the interval, we should then have sixteen hundred vessels in our merchant marine and they would have an aggregate carrying capacity of 9,200,000 tons. Although we may have some difficulty in rolling up such a total, we may recall that on June 30, 1914, we had American vessels registered in foreign trade to a total of only 1,076,000 tons gross.

Naturally, we are not doing all the shipbuilding these days. The Clyde of Scotland probably remains the premier among the world's shipbuilding districts. For the progress the United Kingdom in its yards is making we have only surmises. We know that the first of England's new "standardized" vessels is now carrying cargo. People who know where to look have even seen photographs of these new steamers and must agree they are far from being "tubs." We learn from our Shipping Board that on the Atlantic and Pacific England had in August about 15,000,000 gross tons of merchant vessels. And we

know that the British Prime Minister has declared the yards are turning out "six times as many as last year". That might mean 4,000,000 tons.

The place of a merchant marine in England's position has been reemphasized recently. In 1913 British vessels carried 90 per cent of the trade of the United Kingdom with the empire overseas and 53 per cent of the trade with foreign countries. In no small measure England's foreign trade has been founded on coal, which normally represents three-fourths of the weight of its exports and which is sent abroad in vessels which bring back foodstuffs and raw materials for industry. There has thus been freight each way. Perhaps we, too, shall in good time find a permanent basis for our new merchant marine.

Sheep In Wolves' Clothing

FEW BEASTS appear in London shops. Goat-wolves and foxhairs are examples. With goats masquerading as wolves the allegory about the wolf faring forth in sheep's clothing has met a sudden and disastrous reversal. The war is to blame. War has cut off many of the furs Russia used to supply. War has lured Canadian trappers from their winter haunts to France. War will now improve the opportunities for fur-bearing animals to increase and multiply in the United States.

Fit First; Style Second

STANDARDIZATION has spread to shoes. Both England and France have set specifications for their shoe manufacturers to follow. These shoes will be made entirely of leather, and in several styles. English factories are asked to turn out 500,000 pairs a week until Christmas, and afterward 250,000 pairs a week.

When Reconstruction Comes

RECONSTRUCTION as a term got rather a bad name among us half a century ago, but it labors under no such disability in Europe. There belligerent governments are making elaborate plans for rehabilitating the industries and the districts which have suffered from war, and plans for reconstruction are the order of the day.

Reconstruction as now used in Europe comprehends preparation for a large volume of international trade quite as much as physical rebuilding and reequipment of plants.



According to statements made by officials in England, Germany has gone so far as, not only to organize new combinations among its industries and to arrange for shipping in various quarters, but also to acquire supplies of raw materials in other countries, even being detected in trying to gain control of minerals in England itself.

Thereupon England, too, bestirred itself and created a Ministry of Reconstruction. In a recent speech the new minister announced plans for the first step in demobilization of the British army, when the time comes. About 1,000,000 men will be hurried to the front, including those whose former employments are kept open for them and the men needed for railways, steamships, and restoration of manufactures.



The plans of the new minister do not stop with men, but extend to materials. Where industries have difficulty in obtaining supplies the government will step in and try to assist them.

Reconstruction in invaded districts is having attention in France. In August a French law authorized expenditure of \$50,000,000 for this purpose, under an office of industrial reconstruction. For agricultural rehabilitation in the same districts \$60,000,000 have been appropriated. An Economic Committee has now been created and has set about taking a detailed and comprehensive census of industry for the whole country. Information about the nature of industrial equipment and supplies of materials will be gathered.

Japan, too, is busy, not exactly with reconstruction but with enlargement of its production of articles it cannot obtain in former volume under the restrictions that other belligerent countries have placed on their exports. For iron ore it has turned to the Asiatic continent. Although it had an output of 299,000 tons of pig iron in 1914 it now looks forward to 570,000 tons in 1917, and upwards of 2,000,000 tons when its new enterprises are all in operation; this will equal the present minimum requirement of the country. Since 1914 the yearly capacity of Japanese shipyards has been increased from a tonnage of 200,000 to 1,000,000 tons.

Australia has a different set of problems, and is apparently endeavoring to ascertain what industries should be encouraged by the government. For this purpose it has a National Efficiency Board, which is classifying industries according to their essential nature.

All-in-all, the future is receiving a lot of attention these days.

The Prices Adjusted While You Wait

PAINLESS PRICE-FIXING is an accomplished fact, so far as England's dealing with prices for cotton has affected our South. The American Official Value Committee of the Liverpool Cotton Association fixes a price every day. It begins with the spot price ruling in our markets, adds the approximate cost of transportation, insurance, and warehousing, and allows a profit not exceeding twenty-five points. No one in England may then offer or receive a price

more than five per cent over this value unless he first convinces the Committee that the cost to him was greater.

For drivers of taxis in London price-fixing has not been so pleasant. The Home Secretary of England decreed they might have twenty-five cents for the first mile and four cents for each additional quarter mile. This was "revision upwards," for the purpose of discouraging people from using

taxis and thus promoting saving of gasoline and the like. The drivers contend that the only effect of the increase in fares will be to decrease their tips!

Many people continue of many minds. The Canadian Food Controller, for example, finds himself at odds with some of his compatriots and states his position after this fashion: "Unless the consumers in the cities of Canada signify their willingness to face a complete disruption of all trades, a total

breakdown of real estate values, and the utter demoralization of labor conditions in their cities, the Food Controller cannot possibly accede to the demands made in some quarters to "cut down prices," to "sell food at cost," or, as it is otherwise expressed, to "do away with the middleman."

Our own Food Administrator is probably of similar opinion. He has said, "The Food Administration is called into being to stabilize and not to disturb conditions, and to defend honest enterprise against illegitimate competition." In thorough accord with such doctrine the Food Administrator's representative in Illinois announced, a week or two ago, the retail prices which his investigations indicated would be fair to dealer and to consumer.

Washington's Welcome to the Coming Guest

WASHINGTON does not seem to get all the credit it deserves for hospitality. As a matter of fact Washington has a difficult role to play in tendering hospitality. It must be versatile. It is no Greta Green; yet at times it has to welcome honeymoon couples in numbers that would dismay a less well-poised city. It has no great amphitheatre or assembly place for conventions; nevertheless, every four years it sustains the shock of an avalanche of its fellow citizens; the fact that they tarry but a day or two makes their entertainment only the more difficult.

In ordinary times a good part of the folk who come within its gates arrive in a critical frame of mind; they want something remedied, and that right quickly; they are in no mood to be recipients of the delicate graces of hospitality. Besides, there is the blasé straggler, who views the world through an intellectual monocle and has been bored by the other capitals of the earth; he appears at the "depo",—all stations in the United States should be depots,—with a squadron of trunks and a faint dare to Washington to stir his languid interest. If any woman in the land were subjected to comparable demands upon her facility as hostess, she would sue for divorce within twenty-four hours.

Just now Washington is discovering in itself new resources of hospitality, especially for the young men and women who enter the departments to do the clerical work of war. These new employees are entering the departments by hundreds. The rest of the country has wagged its head and declared food and meals could not be provided.

At the same time a bureau of the government has published a report which demonstrates chiefly that the *genus homo*, both genders, still has a weakness for spending a bit more than it earns, and that the residents in Washington are as normal in this shortcoming as in other faults and virtues.

After all, current facts are the important thing. One organization, which gets down to cases in such matters for young women, in a recent month placed every one of five hundred and twenty-three applicants in quarters which had been investigated and certified, and declared it saw no end of its opportunities to find food and shelter. Another organization which performs similar services for young men is quite as optimistic.



THE H. A. GARFIELD FORMULA

Citizen First, Lawyer Second—Whether It Be Steel, Wheat, Coal, Ships, or Railroads. He Knows How; And This Isn't The First Time He Has Tweaked The Beard of King Coal

By
JAMES B. MORROW

BETWEEN the man who grows the wheat and the man who eats the loaf there has been, during the war, an undue measure of that intangible something called "water."

It was not included in the delivery when the grower hauled his wheat to market. Nor could the consumer of the loaf see it when he made his purchase.

Neither sold in the first place nor eaten nor drunk in the last place, it was an economic wrong that required correction. At some point or points, in the mechanism of movement from origin to ultimate, the "water," or excess profit as the language of trade politely calls it, was injected.

Therefore, having a law for it, President Wilson created a committee on wheat prices. He went no further, in the matter of persons, than to appoint a chairman. Harry Augustus Garfield, LL.D., was the man selected.

Arriving at Washington, from Williams College, of which he is president, Dr. Garfield began a survey of the continent. With maps, names and vocations on the table in front of him, and other sources of information ready and convenient, he entered on the work of balancing.

Balancing corn with wheat, labor with capital, the East with the West and the North with the South, he constituted a committee of eleven expert assistants. Whereupon the twelve, by telephone and telegraph, letters and documents, calls and commands, obtained the facts pertaining to the wheat-growing, flour-making and bread-making industries.

Such was the manner, then, of Dr. Garfield's entrance into the war with the Prussians. Wheat, until he was summoned to the colors, under an order from the White House, was an unfamiliar subject to this lawyer, publicist and educator. To-day he is a master in that technical branch of knowledge.

Deep in wheat, but the problem solved, he was asked by the President to apply his industry, enthusiasm, comprehension and precision to coal. Next to bread, coal is the paramount product of the year.

A Summons From Princeton

THERE is a flavor of romance in the story of how Woodrow Wilson and Harry Garfield became acquainted and then associated together as teachers of theoretical and practical politics at Princeton. A letter, as unexpected as a crashing voice from the heavens, Wilson to Garfield, opens the narrative.

It was received at the moment when the Cleveland lawyer, having closed a large and profitable business operation, was on the edge of the beginning of another. "I have taught the young men at Princeton speculative politics," wrote Woodrow Wilson, head of the university, quoting the substance of his message, if not his words accurately. "Will you not come," he asked, "and instruct them as to the way politics is really practiced?"

The letter was carried home in the evening. Confronted by his wife, and yielding to his own propensity, weary, besides, with syndicates, underwritings, railroads, banks and mineral lands, Harry Garfield, as he is still known in Cleveland, accepted the summons. He might

have remained in the law and become a multimillionaire.

This dark-skinned, brown-eyed man, resembling his wise and prudent mother, physically, ethically and intellectually, has a dual personality—both excellent in all respects. Sentimentalist and materialist, he has lived in dignity and with success, spiritually and as a matter of worldly fact.

NO sketch of Dr. Garfield can be written without the bringing of James Rudolph, his brother, into the foreground. Boys together—Harry the elder by two years and six days—they were educated together at Williams College and, as lawyers, were partners. In their father's home they heard from infancy great public matters illuminated.

When General Garfield stumbled the country during national campaigns one of his sons, usually, was his companion. He told them why he repeated his arguments and facts over and over again before the same audience. Merchants were present, he explained, and mechanics and farmers, as well. He sought to make each class understand what he said, and, therefore, he plowed and plowed again, up the field and then across it, until he had turned and mellowed all of the soil into a seed-bed.

Comrades, then, the sons became of an eloquent and cultured father. And counselors, even. When Harry was fifteen and James two years younger, at school in company, they received a letter from their father, then the Republican leader in the House of Representatives at Washington. He was thinking, he wrote, of being a candidate for the Senate. What, he asked, was their opinion regarding the project?

After their graduation at Williams College, where James A. Garfield himself had won the highest honors, the brothers studied law. Harry at Oxford in England and the Inns of Court in London; James at Columbia College and in the office of Francis Lynde Stetson, where he arose to the position of managing clerk.

Their practice and partnership began in Cleveland during the year 1888. Harry was twenty-five; James was twenty-three. About the first thing they did was to hold a conference.

"All of the old lawyers," Harry said, have clients. All of the old business firms have lawyers. What we must do is to make business. A boy with a normal nose," he observed to James, "can always smell apple pie if there is any in the pantry."

THE Garfield farm was at Mentor, some twenty miles, perhaps, eastward from Cleveland. Prestige, the brothers had, as sons of an illustrious father, but it was not convertible into bread and butter. And they proceeded to make business, as suggested by the senior. Their first enterprise was a tall office building in Euclid Avenue. They had little money of their own but they borrowed all they could and interested men of means in the undertaking.

Half cash and half bonds obtained the site and met the bills for the construction. "It's a gold brick," said one of the richest land-

owners in the town, as he watched the steel frame rise story by story into the air—an opinion that was held by others. He was mistaken, however. The Garfield Building was a solid investment, and continues to be, although many years have passed since it was thrown open to business.

His First Bout With Coal

THE large room on the first floor was rented by a trust company, which was organized by Dr. Garfield so that it could be a tenant of the building company. To-day the trust company is one of the largest in the country. Predictions were also early made that it would fail.

From banks and office buildings, the Garfield brothers turned to coal. They organized a syndicate for the purchase of some mineral lands in the interior of Ohio but one of their partners, liking the bargain himself, bought it for himself before the syndicate's transaction could be negotiated and so ended that adventure.

Whereupon Harry Garfield found another hill of coal and a rusty railroad that pointed north but stopped some thirty miles south of an accessible harbor. His associates and himself bought the hill and the railroad and then a farm—for which they paid \$200,000—at Fairport, one of the busiest shipping points on Lake Erie.

A right of way through the farm had been given to one of the largest railroads in the United States years before. It had lapsed, in Harry Garfield's opinion, but he proceeded on the theory that the railroad would cause trouble when it found that a competing company was planning to open mines and ship coal by rail and water into the northwest.

Papers were prepared long beforehand to meet any attack that might be made and sentinels were sent out to report all of the suspicious movements of the seemingly quiescent enemy. One Saturday night, in midwinter, Harry Garfield learned by telegraph that unusual activity was noticeable. He telephoned the contents of his sleeping papers to his lawyer at Fairport. James Garfield, called from a symphony concert, followed with the original documents in his pocket.

A locomotive, drawing several cars, loaded with rails and ties, steamed to the edge of the farm during the night. Surveyors with transits and tapes, and workmen with shovels, sledges and tamping-irons alighted, and were met by the sheriff of the county and a writ of temporary injunction, hastily issued by a judge who had been dragged out of bed that he might perform the willing function.

Monday morning the lawyer for the railroad visited the office of the Garfields. He was an old friend and a club associate of the brothers. "Harry," he said, beaming benignly, "you will vacate the injunction, I know, when you coolly consider the law in the matter. Of course, a railroad has a right to go on its own property."

"When a railroad," Dr. Garfield answered, "goes on what it claims to be its own property, at 2 o'clock of a Sunday morning, in the month of February, with the temperature

five degrees below zero and snow on the ground, it would appear that the railroad was in some serious doubt as to its rights in that property."

The injunction was made permanent, the misty tracks were extended to the lake and coal from the hill began to move northward. There was profit in the enterprise for all concerned. It was at this juncture in his personal and professional affairs that Dr. Garfield received the letter from Woodrow Wilson, president of Princeton.

But the Garfields, when they sat down in their law office and held their first conference, during which the elder brother said, "We shall have to make business," discussed still another subject. Politics. "We are citizens, first," they agreed. "After that," both said, "we are lawyers."

Such, then, as Thomas Carlyle would have phrased the statement, was the Garfield formula. If office came, well enough. If it did not come, they were not to care. Harry took up his residence in Cleveland; James, tall, manly, blue-eyed and studious, as was his father, continuing to live on his farm at Mentor, was a citizen of Lake County.

From the village corner, where he studied pavements, lights, gutters, dirt roads and finances, and codified the local ordinances, James went to the board of education. He practiced law by day and government by night. At the age of thirty, he was elected to the State Senate. When he was forty-two he was a member of President Roosevelt's cabinet. Now, he is again a Cleveland lawyer.

Harry Garfield has never been a candidate for public office. But he has been continuously in politics. Holding to Edmund Burke's philosophy that "when bad men combine, the good must associate, else they will fall, one by one, an unpitied sacrifice in a contemptible struggle," he helped to organize the Municipal Association of Cleveland.

For years he was president of that unique and militant body. Some of the best men in the city—an eminent Catholic priest was one of them—were on the board of directors. A shrewd agent, with the talent of a writer and the instincts of an inquisitor, was employed to look into the records, private and public, of every politician who ran for office—not after he became a nominated candidate but the moment that he announced his purpose.

Bulletins, such reports were called, when published for the information of the voters. They were received with sneers by party workers but ordinarily they were accepted with respect and followed by Republicans and Democrats who lived by other means than politics. So Harry Garfield, a busy and prosperous lawyer, elegant in manners, friendly in his bearing, always, became, while yet a young man, one of the foremost citizens of Cleveland—on his merits and not through the fame or tragic memory of his father.

Business men may desire to know what qualifications Dr. Garfield has to deal with such practical products as coal and wheat. This article may answer all of their questions. It can be said that Dr. Garfield is a money-maker, naturally, if such a gift will increase the respect by which bankers, merchants and manufacturers measure him.

Likewise, he is an organizer—not a smashing personality, whose steam blows off, mostly, through a safety-valve, making a great noise in an otherwise silent engine room, but a courteous, energetic, imaginative and able executive. It might be steel, as easily as wheat; or ships as easily as coal, so far as he is concerned. Or railroads. Or banks. He knows how, and right there all wise action begins.

There are two main government bodies dealing directly with wheat—the committee on prices, of which Dr. Garfield was made chairman, and a control board, which buys and sells wheat, exactly like a private corporation.

Prices for the crop of 1917 having been established, based on the cost of production, with profit added, the work of the second board was inaugurated. Dr. Garfield objects to the verb "fixed." He prefers and uses the word "found." The prices, then, were found, in the manner stated. Wherewith buying and selling followed.

The task of finding the price, after learning the cost of production, plus profit, was a tremendously large and highly technical operation. Many states were involved in the problem. And two seasons, spring and winter. Also several gradations, designated by names and numbers. Knowing little about wheat, —nothing, possibly,—when he first met the members of his committee in conference, Dr. Garfield soon learned all about it and by the right of knowledge, as well as by appointment, properly sat at the head of the table.

"The stocks of wheat in the world are not deficient," he said to the writer of this article. "There is enough but the crops of India and Australia are not available, through a scarcity of ships, for our Allies in Europe. The voyage from the latter country to England is three times longer in time than from Canada or the United States."

"Lack of vessels, therefore, has made shipments of wheat from this country to Europe necessary. If Great Britain, France, Belgium and Italy are to keep their armies in the field, the armies must be fed with bread made from wheat grown in this country and Canada. The ships that are afloat must be employed, mostly, in transporting troops and their guns and ammunition. Some of them can be spared to carry cargoes of food across the At-

lantic but they cannot be spared for the long voyage to India or Australia."

"Bread is dear, although wheat, as I have said, is abundant. The situation was forcefully described to me by Mr. Hoover, the food commissioner. He said that when several retorts, joined together by pipes, contain water, that the same level in all is maintained, even if some of the water is drawn from one or more of them."

"But were a pipe to be broken, levels would immediately lose their relation to one another and the retorts would show different quantities of water. One or two might be empty."

"In normal times, the selling of 20,000,000 bushels of wheat in Chicago drops the level of supply evenly throughout the United States, Europe, Russia, South America and other countries. But war broke the pipes and while England, France and Italy are running dry of wheat, there is plenty in India and Australia."

"Dr. Garfield was professor of politics at Princeton for five years and was then, in 1908, elected president of Williams College, at Williamstown, Mass. He was asked if he would advise a young man to enter upon a public career."

"Yes," was the answer. "If it is possible to do so without sacrificing what he regards as a principle of right conduct. Usually, always, if the young man has a family dependent upon him, running for office implies the possession of a livelihood outside

(Continued
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He is an organizer—not a smashing personality, whose steam blows off, mostly, through a safety-valve, making a great noise in an otherwise silent engine room, but a courteous, energetic, imaginative and able executive. A professor of politics at Princeton for five years, he has never been a candidate for office. But he has been continuously in politics.

"This is the End of Business"

But Gordon Selfridge Refused To Put Up the Shutters at the Cry of His Frightened English Competitors and Proved that American Spirit and Methods Could Win Against the Odds of War

By GEORGE T. BYE

GORDON SELFDRIDGE, American merchant in London, tells, in this interview with a representative of THE NATION'S BUSINESS, how business men should meet present-day conditions—how he increased his own sales \$2,500,000 a year in spite of war.

His experience is further evidence of the industrial revolution which has been wrought in England by the substitution of women workers for men. That revolution is, in large part, to be permanent. The most important change to which English society will have to adjust itself after the war will be the enormously increased participation of women in the industrial life of the nation. America may face a similar revolution, hence what Mr. Selfridge says on the subject will be of added interest. —EDITOR.

THE international correspondence of Gordon Selfridge, citizen of the United States and master-merchant in London, grew like a crowd at a fire when America went to war. The flames which had been burning up Europe

for nearly three years had at last spread to the United States, and business men, big and little, and editors of trade papers, wanted to know what was going to happen to American business, and each man's own business in particular.

There was a man in London of whom all of them had heard, a man by the name of Selfridge. This Yankee merchant to His Majesty the British public seemed to have built a fire-proof institution, so far as war is concerned. His department store, established eight years before, had become one of the greatest, if not the greatest, in all Europe. And strangest of all strange things in a world turned topsy-turvy, it showed enormously increased prosperity despite the war, when rivals either showed no increase or very modest ones compared with Selfridge's.

Millions more a year passing out of the front door in the hands of customers meant millions more coming in through the back door to maintain stocks. Selfridge buyers were frantically beating the bushes for supplies, beating them in Europe and in America. Thus American business men, big and little, and editors of trade papers, knew the story and turned to Selfridge to find out how in the war-crazy world he had accomplished it. Letters, cablegrams and emissaries came in such numbers from the United States that it was soon impossible to give the communications personal attention, and a printed form setting forth the Selfridge philosophy of merchandising under war conditions had to be prepared.

The interview with Mr. Selfridge which I now have the privilege of printing contains information not included in his letters or printed statement, and summarizes his experience up to this minute.

Let me first try to get you into the same mood I was in before entering Mr. Selfridge's auditorium-sanctum—it is large and impressive enough to be called that. That requires merely a retracing of my steps up Oxford Street. I stepped into a few of the larger stores, rambling shops, stuffy, crowded with goods rather awkwardly displayed, dark, smelling of cloth and that aromatic commodity usually detected in the air in a small, neighborhood dry goods store. The shopgirls seemed gloomy and few. The stores were not inviting.

I knew Selfridge's without seeing the massive bronze name-plates. The building looks American. It closely resembles Marshall Field & Company's establishment in Chicago, or Altman's in New York—great fluted pillars and white stone, and covering a block. On top, in contrast with the absence of color you find all over London, was a flutter of Allies flags by the dozens—all giving a holiday effect, and as if this were the "big top" of the whole circus. It seemed the cheeriest of places.

Down on the sidewalk in front of the colorful windows, which suggested Fifth Avenue again, dapper little footgirls, as sprightly as jockeys, were calling carriages and motors and

helping in and out the patrons. From the footgirls, in their tight-fitting green livery, my eye wandered up where other prim-looking young women in blue overalls were busily mending windows.

The big store has an interior American in its details—high ceilings, correct lighting, wide aisles. There is a well-bathed odor about it.

The shopgirls appeared fully bright and interesting as any I ever saw in America—and, as a rule, they were considerably more helpful. Then there are the "lift" operators—marshmallow maids is the term which comes to my mind to describe them. They wear linen-colored uniforms of comic opera proportions, with white kid boots up to their knees, blousing knickerbockers, tight jacket, and a queer balloonyish cap of military rakishness. They run that battery of lifts like graduate engineers. They call out the floors distinctly. It is a pleasure to be told by one of them, "Please step back in the car."

WHEN the war broke out, Mr. Selfridge said to me, "It was the general opinion that the end had come for business. Many merchants instantly reduced staffs and cut wages. The second or third day of the war I was waited upon by a committee of our buyers who informed me that they were certain of heavy losses and that they wished to see it through with me on a half-salary basis."

"But I wasn't sure business was going to be bad, and, with thanks for their loyalty and good spirit, I told every one in the house that Selfridge's would make no changes for the present. To that stand do we owe something of our present prosperity. By keeping on our brightest face, spending more money for advertising, and serving our patrons with greater attention, we have increased our business to a volume of over \$15,000,000, a gain of \$2,500,000 in one year."

"We have taken advantage of most opportunities in making our store more popular. Those in London who have not shared our progress are the merchants who would not exert themselves, the old school of shopkeepers."

Let me interrupt Mr. Selfridge to describe two of his methods of doing business that are the talk of London. The first was inaugurated shortly after the disastrous daylight air raid of last July. The Selfridge advertising a day or two later began carrying a bold notice to

A Foot Girl at Selfridge's



Women's instinctive enmity towards dirt makes them the world's natural cleaners, and war has given them the job, as witness this young woman at Selfridge's in London.

the effect that every person in Selfridge's during an aeroplane attack on London was insured free, without preliminary registration to the amount of \$5,000 for death directly resulting from the raid. Fortunately (I speak from the humane standpoint), Mr. Selfridge has had to pay no indemnities as yet. The big benefit of this innovation has been to attract public attention to the massive, concrete construction of the store—incidentally, to attract greater throngs of shoppers.

The usual price of war bread in London was a shilling a loaf. Imagine the thrill of English housewives when Selfridge's announced loaves of the same size and of the one government quality at the price of eight pence, or sixteen cents, a reduction of eight cents a loaf! Moreover, the price was to be no one-day or one-week bargain attraction. It was to stand. It still stands, to the confusion of bakers and other merchants, who after several weeks of competition have been able to cut only to nine pence, or two American cents more than Selfridge's price for the same product. The government, watchful of its people's welfare, thereupon stepped in and fixed the price of war bread at nine pence. Selfridge's still undersell at eight.

"Our greatest difficulty has been in keeping our stocks up," continued Mr. Selfridge. "We used to buy heavily from the north of France. Of course that district is producing little now. The English manufacturers have been as good to us as they could be. It happened too that there were enormous stocks of woolen and linen goods in England before the war that were held by obstinate buyers awaiting their desired figure. They gave no thought to aging designs. These rather out-of-date stocks are selling now practically under compulsion because of the world shortage of wool and flax.

"We do not miss the finer goods. Balls or lavish functions are not given any more. Before the war there were often as many as twenty great balls on one night. Now and then we hear of a little dinner dance, but that is very seldom. This makes it easier for us, as the fancy stocks would be the most difficult to obtain. We have found it very hard to sell gloves. As for men's suits, hats, and so on, our requirements are slight; between five and six million Englishmen are in uniform, and they can wear nothing else. There is a big call for inexpensive pianos and jewelry from the munitions workers who are able for the first time to gratify such longings.

I HAVE had one great disappointment, and that is that American exporters are still not alive to their opportunities. They have not awakened from the content that comes with full order books. The English were the same before the war broke. As a matter of fact, I have found in my eight years in England that English and American human nature is almost exactly the same. That's why the Germans were taking English and American export trade from us. The English got so sluggish they wouldn't translate their catalogues, they never gave measurements in meters, and prices were quoted only in pounds and shillings. The German prepared his catalogues properly, with complete translations and all the standards of measurements and money.

"I would say that the American exporter does not quite yet realize the fundamental basis of trade—that the seller is the one to do the courting. The American expects business to come to him. If he could only see my position, the position of the buyer! When I am obliged to do business under a stress that is not at all seductive, I trade with bad grace—

and in the future I will seek markets where the courting is on the other side.

MY buyers have gone repeatedly to America for goods and have invariably found that the manufacturer is more interested in home business to the detriment of any other. He supplies his regular home customers first, in full quantity, which is quite right, but he seems to care nothing for business outside the borders of the United States. All English merchants have had this experience. That is no way to develop export business. Surely he should use every effort possible to make friends abroad. Not only did we practically have to beg for goods, but we and all others are required to pay cash on the nail, which isn't by any means a usual requirement. Now cash on the nail makes the goods just that much dearer—because our money is tied up a long time before sales begin. The American manufacturer, if he wishes export business, must change his methods. He should realize that he is to the merchants of the world as the retailer is to the shopkeeper. He must drop that air of extreme independence and do some trade courting.

"Now as to employees. We have a

chiefly in our managerial positions, many of which are given over to women now. I would say that the biggest education of the war to an employer is the value of women labor.

"In our counting house we now have only a few men and we shall have none but women in the future. We find them quicker, greater and quite as accurate as men. Our training of the girls in our counting house was such that many have been attracted from our by banks and government bureaus. In fact, between 500 and 600 changes have taken place in the counting house since the start of war.

"In our lifts I am quite sure that we shall never have men again. Our patrons tell us it is a treat to ride in the lifts beside such clean, natty, altogether charming young women, who are keenly on the job, polite, and whose voices are so pleasant. Also, we shall never again have men for cleaners. Women by instinct are better cleaners than men, but it has taken the war to educate us to that. Of course, for heavier or dangerous cleaning jobs we shall have a few men, but our brigade of janitors will always be of women.

We have found, too, that women can drive motors fully as well as men.

They come to us as licensed drivers, and you find them on Selfridge motor delivery cars all over the city.

Incidentally, we have learned that they are not so satisfactory for driving teams, and we use men only for the horse wagons.

"American merchants were astonished that we had not discontinued free delivery service. We have had no idea of doing so. Probably London women do not abuse the delivery privilege like American women. At any rate, we have been easily able to keep our total operating expenses within our limit of 18 to 18½ per cent a year. The first half of this year our expense

percentage was 20 to 20½, but the first half of the year always is the most costly.

"Continuing on the subject of women employees, we have women in our engine room, where they are serving most reliably. Our store needs many electricians, and all of them are girls. Each of these feminine groups has its uniform—and I believe you will find all of these employees smiling and happy.

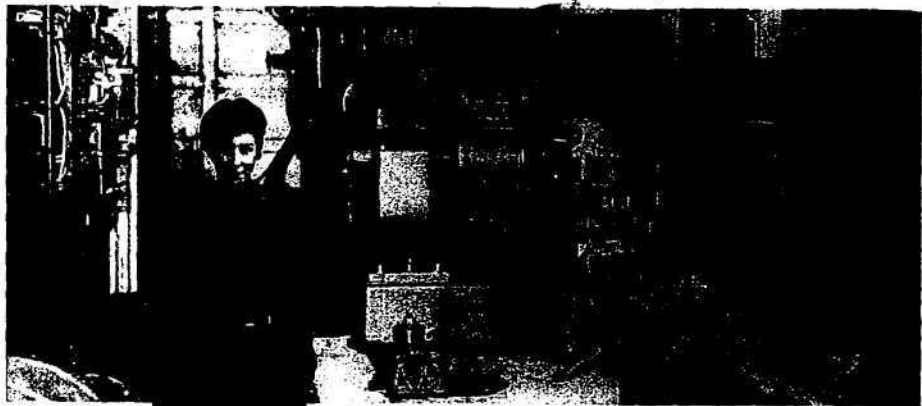
"We do a great amount of welfare work for employees, including free classes in for-



PARIS OFFICIAL FROM PICTURES PRESS

The general appearance of these Paris girls sustains the assertion that in many industries in which war has forced the substitution of women for men in Europe, women have proved themselves as efficient as men. The same thing is true in America, where a woman taxi-driver can "row" with the driver of a street-blocking truck with a spirit which no mere male could surpass.

great many more than we had at the beginning of war, but they are nearly all women and older men. Up to date 986 men have been called to the colors from the House of Selfridge, and to their families we are paying \$10,000 or \$50,000 a year in part salaries and have given the men assurance of work with us when the war is over. A great many English merchants similarly cared for their men, and, I believe, are keeping it up. When the war began, 150 of our younger men volunteered in a body. This has hurt us



This girl electrician at Selfridge's in London is striking proof of the industrial revolution which war has brought about in Europe, and which is spreading to America. This girl's employer says that in many occupations in which he has had to replace men by women, he will have none but women hereafter. The increasing and permanent employment of women in "men's jobs" is the most important change to which the warring nations will have to adapt themselves when peace comes.

sign languages, gymnasiums, vacation camps, etc. I give a prize of five pounds (about \$25) to the employee able to talk conversationally in French or Russian at the conclusion of the school term.

"We paid the government \$200,000 in excess profits tax last year, and 25 per cent of our profits in income taxes, and were happy to be able to do so.

There has been no interference by the government that has been even slightly objectionable. We accept as one of the incidents of war that we have to pay greatly increased prices for twine, paper, petrol and the many other commodities that enter into the operating expense of the establishment. Our twine expense alone last year was \$20,000.

"America has to go through much of our experience, and I am glad that she has precedents to go by. We groped in the dark until we were sure we were on the right road. Just tell the American merchants to be as bright and smiling as possible, and to remember that their buying public will be increased because of the number of women earning money and the absorption of the unemployed class."

HERE is a sample of the advice which Mr. Selfridge has sent to American business men who have come to him for help:

"If I were doing business in America, I should, in the light of my experience since August, 1914, repeat the policy which we have followed here, to keep business going at high pressure, war or no war. I should watch with the greatest care these points: the organization and my ability to fill in with women or men above the age of enlistment such posts as would necessarily become vacant. I should keep my eye very closely on the market, and if I discovered any likelihood of shortage in woollen goods, silk goods (especially hosiery) or in leather, I should make my stocks as full as I felt my business would possibly warrant. And I should supply paper and twine for a long time ahead.

"In August, 1914, most of the stores of Great Britain were attacked with a case of fright. Their first thought was to reduce expenses. To our advantage, we 'carried on' as usual, but all the time we kept our eyes on the horizon to discover danger signals which might call for a change of policy. Difficulties came, but they came gradually, and at no period have we withdrawn from the energetic policy adopted in the beginning. The result? Our house is as thronged to-day, or more so, than ever before."

Floating New War Freight to Tide Water

(Concluded from page 13.)

Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, and Chairman of the Transportation Committee of the Council of National Defense.

"My duty, as Chairman of the Transportation Committee," he said, "is to try to coordinate our transportation facilities. I think the United States ought to use all available means of transportation, properly coordinated.

"The problem seems to me something like this. Suppose one man owned all our transportation facilities and wanted to run them in the best and most efficient manner possible for the good of the country. What would he do? He would look over the whole field, and find out what agencies of transportation there were. And then he would try to use them each where it would do the most good. He would try to make them work into each other and eliminate wasteful competition between them.

That, as I see it, is our job now. Each element in transportation must find its place in the national economy.

"Personally I believe in utilizing the waterways and all other transportation agencies so far as possible. I do not believe the statement that it is impossible for water transportation to compete with rail transportation while the rates by rail are as low as they are. It seems to me there is good reason to think that freight can be carried by water under proper conditions cheaper than by rail. Mr. James J. Hill used to say that the forty-ton box car could not be met in competition by the water-

ways if they had a depth of less than six feet. I think that is true.

"One thing that has so far stood in the way of proper coordination between railways and waterways is that our whole attitude toward that question has been based on the assumption that the two agencies are necessarily competitive. Our laws on the subject have been passed in that belief. It has been accepted almost without question by both sides that here were two things that would mix no better than oil and water. This war, however, may force us toward a reconsideration of that idea. Events may presently show us that it is essentially unsound."

This statement by Mr. Willard is the more interesting because it implies a solution for the waterways problem which would do more than put the waterways into use purely as a wartime expedient. It seems to suggest a basis which might assure to the waterways later a permanent economic place.

It is worth remembering, for instance, that existing law forbids cooperation between railroads and boatlines, and requires them to compete whether they want to or not; and such adjustments as are made in this respect by the Interstate Commerce Commission have to be made with reference to the enforcement of that law. In other words, the law makes identity of economic interest between railways and waterways practically impossible."

And yet we are asking the railroads in temporary disregard of the law which forbids such things, to give smiling cooperation, in the present emergency, for raising up against themselves a formidable rival with which they will not be allowed to compete on even terms with the return of peace. If our laws demand competition, then we have no right, it would seem, to ask for competition and no competition at one and the same time.

There are doubtless many cases where it would not be wise to permit the railroads to own boatlines; but there are other cases where it may prove both right and proper. Our problem, it would seem, will be to put competition on an even keel and keep it there. We may have a great opportunity, in this war expedient, to give the nation something that will be a permanent economic asset.



A White List of Business Books

By JOHN COTTON DANA

Librarian, Free Public Library, Newark, N. J.

No. 1. Export Trade

THIS White List of Business Books is designed to fill a want keenly felt by the business man. Books on commerce and industry are one of the most valuable tools at his command. No busy man has time, however, to read all of them or even to look into all of them carefully enough to find out which suit his needs. THE NATION'S BUSINESS receives so many requests to tell its readers which are the best books that it has arranged with an expert, John Cotton Dana, to compile a list of them. The name of John Cotton Dana, known everywhere to men who read business books, is a guarantee that the work will be done as well as it is possible to do it.—Editor.

WE Americans read more on the average and learn more than do the people of any other country; but the reading and the learning of our best men is not up to the reading and the learning of the best men of other great nations. Don't ask me to prove this, for it would take too long. Read and find it out for yourself.

What results from these facts? This results: Our general average of fair intelligence enables us to do a great deal of good work with the almost boundless resources and the countless opportunities which our great new country offers, but, when we begin, as we are now beginning, to compete on fairly even terms with other and older countries, we are handicapped by our relative lack of men who have read and studied widely and intensely and learned much.

Don't ask me to prove this, for it would take too long. Read what the best students say, and learn it for yourself.

A partial proof of the fact that our leaders could read and study more to their profit and to the profit of their country lies here, before your eyes, in the existence of this paragraph, of the list of books which follows, of this magazine, and of the great organization which lies behind THE NATION'S BUSINESS.

THE wish to learn is born in part of a feeling of ignorance; and a widespread feeling among our great business men that they need to learn, that they should put themselves in the forefront of world knowledge, just as mother nature has put them, here in our great land, in the forefront of opportunity, is surely one of their chief reasons for forming this great educational alliance—the nation's Chamber of Commerce, and for publishing this guide to the world's commercial information, THE NATION'S BUSINESS.

Another thing that goes to show that we as a people now know that we have not read all that we can and should, lies in the wonderful growth in the last few years of books and journals on every aspect of production and distribution. They are printed, therefore they must be wanted. To want a thing is to need it; to need it is to feel the lack of it; and to feel the lack of business knowledge is to admit a business ignorance.

Conclusion: Our business men need to read more, to read better things, and to learn more from what they read,—and all these things they are now doing.

IF a man came in to us and said, "I am interested in the export trade. Tell me what I shall read and what my foreman shall read so that we can plan a campaign to work up an export business for our firm," we would say to him something like this:

There is a general book on exporting by B. Olney Hough called "Practical Exporting," published by the Johnson Export Publishing Company, 1915, at \$4.00. This is a rather complete handbook for the merchant or the manufacturer, arranged for practical use. It tells how to develop an export department and how to handle foreign correspondence; discusses the management and training of salesmen, export commission houses and the local foreign sales agent and branch office. A general explanation is given of marine insurance, credit and collections and banking in foreign countries.

There is a group of 12 books, "The Congress in Business Trade," which is published by the Business Training Corporation, at \$30. This would be needed by the house carrying on a large export business. The value of it can be seen from the titles of the several volumes: Economics of World Trade; World Markets; Export Policies; Export Houses; Direct Exporting; The Export Salesman; Shipping; Financing; Export Technique; Foreign and Home Law; Exporting; Factors in Trade Building.

"Exporting to Latin America," by Ernest D. Filsinger, published by D. Appleton & Company in 1916, at \$3.00, is of special use at this time when so many American manufacturers are seeking business in South America. It gives much information which is difficult to get and yet is very necessary to the exporter. The author tells what products and manufacturers are available in Latin America, and gives general information about each country,—its railroads, the newspapers and magazines in which to advertise, business methods and customs, the planning of a sales trip, a chapter on the banking situation in each country, and the sterling and dollar exchange.

Any firm engaged in export trade will need to have a copy of the "Exporter's Encyclopedia" in its office. It is the source of information for all details of foreign trade. For instance, it gives facsimiles of consular invoices, the consular regulations in different parts of the world, methods of packing for export in each country, express companies

and forwarders, freight brokers and freight rate-shipping routes from the principal cities of the United States to all ports and so on. This book is kept corrected to the first of each month by notes for insertion which are published in the "Exporter's Review," a monthly periodical which comes with the subscription to the Exporter's Encyclopedia.

FIRST of all, however, the man who wants to build up an export business should get in touch with the United States Bureau of Foreign and Domestic Commerce. It has agents in all parts of the world who are gathering and forwarding to Washington all kinds of information about business conditions that are of value to the man seeking trade in the country in which they are stationed. Most of these men are taken from active work in some particular industry and are experts in their respective lines. Announcements of specific opportunities for the sale of American goods abroad are sent by them to Washington, and these are published in the daily Commerce Reports.

Subscribe to the "Commerce Reports," the daily journal which is sold by the Superintendent of Documents, Washington, D. C., for \$2.50 per year. This is the organ through which current information on foreign trade matters is distributed to American businessmen. And send to Washington for the pamphlet "Government Assistance to American Exporters," from which you will learn how much the government is doing to promote export trade.

Visit or write the district office in your district and learn what it has and what it can do for you, and have your name put on the list

so that you will receive the Bureau's confidential information on foreign trade. The Bureau of Foreign and Domestic Commerce will send you a list of its publications that bear directly on export trade, and on the particular business in which you are engaged.

To get an export trade you must advertise in the press of foreign countries. It is a thing few business men in America know anything about. Within the past few months several things have been published about it. An article in

the "Commerce reports" for August 20, 1917, on advertising in Australia, another on the newspapers of Argentina in the number for August 28, 1917. "The way to advertise in China" in "Printers Ink" on August 30, 1917.

No books on export trade can be relied on very long after publication. Details of regulations are constantly being changed, and for this reason it is necessary to keep in touch with the government bureaus, because from them information will be obtained in correct form.



FRANCE, THE BUILDER

Fighting for Existence, She is Making Over Her Cities—and Scientifically—A Thing We Must Do If We Are to Meet the Imperious Needs of Commerce and Industry

By GEORGE B. FORD

AMERICAN cities, in many respects, are ill-equipped for the extraordinary burdens which will be laid upon them during the next year or two. Great numbers of working people, from whom the maximum amount of service and efficiency will be demanded, are housed under conditions which will prevent them from giving the best that is in them. Hand labor prevails in many places where machinery would do the work better and faster; terminal facilities are often inadequate; warehousing space insufficient. Rivers and canals as means of transportation neglected. The moving of great crowds of people quickly from place to place largely an unsolved problem. Recreation grounds for the people in great measure yet to be provided.

Scientific building of cities has not yet become a serious business with us. Above are some of the results. Important enough to have merited our most earnest attention when we were at peace, this situation, now that we are at war, has become doubly urgent.

There can be but little doubt that the future will witness a transformation of present conditions. We shall have cities planned to meet the needs of the people, of commerce and of industry. Within 25 years perhaps. In the meantime, like the many factories which will endeavor to supply our demands for increased output with equipment which was almost or wholly unable to satisfy our wants in peace times, our cities will have to resort to many shifts.

The United States is not the only country which has had to face such a situation. At the outset of the war, it was brought home to France that she was to pay dearly for her lack of general city planning. Wherever her armies have mobilized or her civilians forged the weapons of conflict, that fact has been made clear to her. She is not waiting for the war's end to turn the knowledge thus gained to good account. At one stride, she has gone forward 25 years in city planning. France is not having recourse to mere expedients to carry her through the exigencies of war. She is making over her cities and towns under fire. They will come out of the war better than they were before.

WHILE historic Rheims crumbles into dust under German shells, the new Rheims that is to be when the invaders shall have been pushed back inch by inch to their own frontiers is taking shape in the minds of French engineers and architects.

Figuratively, the falling walls in the towns to the north echo and reecho throughout France, from the Channel to the Mediterranean. When the Germans ruin a home in the north, French workmen level one to the ground in another part of the country, in order that a better one may rise in its place, that a new generation of Frenchmen, better, physically, than the one facing *les boches* may be reared.

Paris, since the beginning of the war, has organized a city bureau with broad powers, which, last year, was planning comprehensively the whole metropolitan area. And that not only within the city, but throughout all the surrounding district. In Lyon, similar schemes were under way.

The housing problem has been taken hold of with an energy that, for a country at war, is nothing short of amazing. In Limoges, six acres of four- and five-story tenements in the heart of the city had been razed to the ground when I was there last year. At a cost of many millions, the city was going ahead in the midst of war to lay out new and broader streets and rebuild the district along modern city planning lines.

In Marseilles, 14½ acres of old six- and seven-story tenements in the center of the city had been torn down, and something like 40,000,000 francs were to be expended in laying out new, broad streets and open spaces and erecting new buildings of modern type. These old quarters were a serious conflagration menace and center for the spread of disease. It was especially dangerous to tolerate them during war.

These are not sporadic and local incidents of war, but the outcome of a general movement toward scientific city planning for the whole country. Proof of that is seen in the fact that a law was proposed—it had already passed the Senate when I was in France last year—to make it obligatory on every city, town or village, whether in the destroyed area or not, to lay out all future developments according to modern city planning ideas. Every community was to have its city commission, over these a general commission in each of the 86 departments, and over these in turn a federal commission.

By Rail and Road in France

AN urgent need of a city in time of peace—a need that increases tenfold in time of war—is to move crowds of people quickly from one place to another. Everywhere in France are parts of a great network of national military roads. Often they go straight up and down over hills and through valleys, as did our old turnpikes. Always, however, the grades are cut down to the minimum, and there are ample width and excellent service. The roadways, never too narrow for two great motor trucks to pass each other at high speed, disclose a policy in road building quite in contrast to our niggardly custom. Although these roads run through towns and cities, even the larger ones, they belong to the government and are paid for and maintained by it. They are the backbone of France's efficiency in handling people and goods. Without them, the country would have been hard put to meet the situation which confronted it.

And the railroads. Here again I found that men could be transported in masses from town to town with ease and speed. The outstanding characteristics were ample approaches to railway stations and extensive yards. Many railroads had been constructed with war needs particularly in view, despite the fact that under peace conditions these lines are not profitable. With regard to tramways, not only are the regular systems laid out strategically, but all over the country, through districts where a standard-gauge railroad could not be built, little light narrow-gauge railroads with trains of three to eight cars are in use.

In transporting and handling supplies, war has brought about great changes. Things had to be handled in much greater quantity, and as speedily as possible. In many parts of the country, particularly near the war zone, I saw new railroads building and old ones being extended. In almost every freight yard that I visited, extensions were being made, new terminal tracks being put in, huge warehouses erected—all that war supplies might be handled quickly.

The ports of Marseilles, Bordeaux, Rouen and Havre I hardly recognized, such changes had they undergone—building going on on an enormous scale everywhere, the ports being doubled, trebled, and in some cases quadrupled in size, and, even at that, ships waiting at anchor for days and weeks for a chance to unload. And as I witnessed all this, I was not heartened by the thought that hardly a city in America was prepared to meet emergency conditions in like fashion.

Using Up Machinery Instead of Men

RIVERS and canals were being deepened and broadened on every hand, new canals dug, new boat services started. All this because the cheaper handling of freight was becoming an increasingly serious problem in France. It means a saving of coal and of men, both of them at a premium.

However the most impressive thing about the handling of goods, both along the waterfront and in the local terminals, was the extensive use of handling machinery. Even in the small villages, freight yards were equipped with cranes and other devices, while in the larger yards and along the docks almost nothing was done by hand. Any mechanical device that would save labor was more than paying its way. It was releasing men for service at the front.

The handling of foodstuffs and of war supplies in particular has become a most important problem, entailing as it does the bringing together and storage of great quantities of supplies and the provision of efficient means of distribution. Along the railways or waterways, around the cities and larger towns, acres of new sheds have been erected. In every case, it was necessary to find large, level, well-drained fields.

Heretofore, France has not known recreation in the sense that we know it. Recreation has usually been "sport." But partly as a result of outdoor life at the front, and partly from reasoning, the Frenchman has come to recognize the necessity of providing recreation places in his cities and towns. The movement is very recent, but the importance which it is assuming is apparent from the new recreation parks and playgrounds designed for Rheims, Clermont-en-Argonne and Bordeaux. Since success in peace or war depends so largely on keeping both men and women in the best physical condition, the provision of play space is imperatively called for.

Our story ends in the air—with aviation. When the nations of Europe began to manufacture aeroplanes, not by the hundreds or thousands, but by the tens of thousands, for use in fighting, they gave birth to a new



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France's strength—physical and financial—lies in her sturdy, thrifty and devout peasantry. Both labor and purses have been thrown into the struggle in which the very moral inheritance of mankind is at stake. French peasants have been burying coin for centuries. They dug it up to pay the great indemnity after the Franco-Prussian war and they have been digging it up for the past three years. France, knowing the habits of the peasants, made an early effort to get money from their savings. The little cabinet in the corner of the room is probably a duplicate of the one in which a peasant farmer had hoarded his first loan of 3,000 francs gold to the Government. And he confided to the mayor that he could contribute a like sum "twice more" should his country need it. The old peasant mother is one of millions looking to the clothes-comfort of her poule sons facing the enemy across a deadly laced pattern of barbed wire. German guns are wrecking thousands of homes like this—thousands of others are being cleared away in the cities to make way for others less picturesque and more healthful.

era in commerce and industry as well as in war.

The aeroplane, the stupendous new factor in war, is destined to become a stupendous new factor in the everyday affairs of the pleasure and business worlds. In Europe, the remarkable increase in the common use of aeroplanes and dirigible balloons indicates that their employment for all sorts of purposes after the war will perhaps grow as rapidly as did that of the automobile.

As to the United States, I foresee a future, a near future, in which the skies will be dotted with thousands of "flying" machines. The great building program on which the government has embarked, military though it is, is going to make the aeroplane one of the most familiar objects in the world to Americans. It cannot fail, I believe, to give tremendous impetus to the use of these machines for other than military purposes.

Mail, beyond a doubt, will be carried in them. And perhaps freight. They will be used for passenger traffic and for pleasure.

These new conditions have created a whole series of new problems for the modern city. The first of these is to provide for training, manoeuvres and storage, a more serious problem than the parking of automobiles in cities, and that is a serious problem to every large town in the country.

WITHIN the high enclosing wall of one of the great aeroplane camps guarding Paris, I saw, last fall, a field stretching away, unbroken by buildings or trees, for mile after mile. Far down each side ran a continuous row of aeroplane sheds. There were then in that

station more aeroplanes than were in the whole of France at the beginning of the war, and more than were in all the United States in 1916. Yet that was only one of a large number of aeroplane or balloon fields throughout the country. These fields require acres of continuous, well-drained and almost level open space. Around most cities, such areas are difficult to obtain. It is only by planning well ahead that adequate reservations can be made.

More important, however, than storage stations are convenient landing places. When Ruth Law flew across from Chicago to New York, she had to change her plans entirely on account of the difficulty in finding a safe landing place. In New York City, about the only place that has been considered desirable for the purpose is Governors Island. In New York and most of our other cities and towns are any number of tracts which would make ideal landing places if leveled off, and trees, bushes, wires and other obstructions removed.

Most aeroplanes in France, from a standing start, go only some 100 or 150 yards before leaving the ground, and then shoot up into the air at a surprisingly sharp angle. They land easily in a 30-acre field. Landing at night is the most difficult and dangerous of all. In France, I found landing places specially, lighted by searchlights or by a peculiar formation of the surrounding lamps, so that they were easily recognized from above. By day all sorts of indicators are used, whitewash or colored diagrams drawn on the ground, so that an aeroplane from a mile or two in the air could recognize the significance of the marks.

IF the aeroplane does come into common use in this country—that it will come I can see no reasonable doubt—the problem of providing storage and training stations and landing spaces will be of urgent and increasing importance.

It is comparatively easy for our cities to prepare to meet emergencies, be they in aviation, in the transportation of men and supplies, in housing, in recreation, or in working out general and all-inclusive plans.

Many of our cities are disfigured by old sections with narrow streets, where, if a fire were to start, the whole district would go. It is our duty to seriously consider opening up these districts before it is too late. We can do it far easier to-day than we could have done it at any time in the past or than we can do it in the future. If we are big enough to seize our present opportunity, we shall bestow the greatest benefit on our cities, and the country, not only now but for all time to come.

We are fortunate in having before us the example of what France is doing under the most trying circumstances. These things are necessary in order to enable her to meet economic competition from other countries after the war. While engaged in the superhuman of carrying on the war, France, at enormous task cost is making up for the mistakes of unpreparedness.

EDITOR'S NOTE—Mr. Ford, who is consultant to the Committee on City Plan of the Board of Estimate and Apportionment of New York, was a member of the American Industrial Commission to France. He has returned to that country as Deputy Commissioner of the American Red Cross.

Getting Paducah and Des Moines to the Firing Line

It Is Up to the Business Men of the Country, by Clear, Constructive Thinking, on Our New Economic Problems, to Add Strength to the Blows of Army and Navy

By WADDILL CATCHINGS

AMONG the many opportunities which the business man has to help win the war, none is more important than the opportunity to study conditions as they actually exist in these extraordinary times, to understand fully the industrial problems which the war has brought to the government and to business, and to plan carefully and deliberately to meet these problems. Clear thinking will save precious time.

A great problem of the war is the industrial problem of how to supply within a year from the United States \$10,000,000,000 of material and labor in the prosecution of the war, and at the same time to maintain the essential industrial life of the nation and to prevent serious disturbance to established social and economic conditions. However great the energy we devote to building the hundreds of ships necessary for ocean transportation, we must, nevertheless, maintain our railroads in full operation, and whether we build ships or railroad cars, there must not be such competitive bidding for materials or labor as to create prices causing deep discontent or disturbance—leading to interruption in industrial output. Effective national defense requires that production and distribution continue in effective

operation to support the full energy of the nation in carrying on the war.

Concerning such problems business men have a knowledge and experience not possessed by those who have not been in contact with business conditions, and because of this knowledge and experience they can assist in the early solution of these problems. It is well recognized that the man who has become skilled in the use of his hands by years of training must now be allowed to produce guns and shells. In the same manner the skill of the business man, his training in what may be described as the mechanics of action—in other words, how to produce results—is needed to make effective use of the industrial resources of the country. A knowledge which can only be acquired through years of training is necessary to determine in advance what will happen when the government requires for war purposes 40 per cent of the country's output of steel, or 50 per cent of the output of woolen underwear, or when there is spent on cantonments in three months more than one-sixth of the total costs of the Panama Canal.

Where the saving of time means the saving of lives, a man with knowledge is under heavy responsibility to apply his knowledge without

delay. If business men hesitate to meet their responsibilities and force the country to rely upon those not familiar with business conditions to work out the industrial problems of the war, they clearly fail to meet the full duty of citizens of a Republic. Democracy is being subjected to the test of fire and must now or never make clear that under popular government the scattered resources of a great country can be concentrated for quick and decisive action in war.

In meeting this great opportunity of leadership in constructive thought, business men must act in a broad spirit and with thorough understanding of the purpose of the nation, and of the relation of industrial problems to that purpose. When the very life of the nation is in danger no man helps who gives thought to selfish advantage. The special training of business men must be devoted solely to the service of the nation.

Emotional response is not enough. Industrial problems are not to be solved in those moments when one hears patriotic addresses or passes resolutions supporting the government. Results will come only from clear-minded, hard-headed thought following close and accurate observation of actual conditions

and tendencies. The productive energy of Paducah and Des Moines will not reach the firing line through singing "The Star Spangled Banner."

THE sons of American business men will soon be fighting in France. There can be no doubt of the desire and purpose of American business men to supply these soldiers with all they need to protect them and to make effective their efforts in battle. The real problem which must be thought out is, how is this to be done—how are the industrial resources to be applied to the best advantage during the war—how is the industrial life of the nation to remain sound in order to give uninterrupted support to the fighting forces.

The solution of this problem lies in the consideration of such questions as: what is the effect of the law of supply and demand in time of war; is the output of the country applied to the best advantage in war when distribution of production is made solely on a basis of price; is a working man to be stimulated to unusual effort if some other man grows rich from this unusual effort; should capital be asked to take chances in regard to production if the reward is inadequate?

Related to these questions are the great practical questions: on what basis are prices to be determined by the government, if the government is to fix prices; should the government determine prices on both raw materials and finished product, when there is such a demand that fair negotiation between buyer and seller is no longer possible; should such prices apply to both public and private needs, and to those of our Allies; how is the output of the country to be distributed when there is required for purposes of war so much of the maximum output of a material that there is not enough left to meet the requirements both of essential and non-essential business.

These questions cannot be solved with ideas formed from experience in normal times. The first step to constructive thought in war is to know that extraordinary conditions prevail. The business man must be willing to lay aside his prejudices if he is to be of real help in working out these problems. For a great peace-loving nation to engage in a frightful war required the overturning of many preconceived ideas. Business men must be prepared to sacrifice many cherished principles.

of the entire nation on these problems.

The vital importance of this comes from the fact that our government can exercise only such powers as are delegated by our people. If the powers which were delegated in time of peace are not sufficient to enable the govern-

ment to lead in the formation of public opinion along constructive lines. Many have viewed with regret the fact that business men often have attempted to influence governmental action only where some advantage was desired. The opportunity is now afforded

to business men to give to the nation the benefit of their best thought and, in the spirit of common effort aroused by the national emergency, to take the leadership in constructive thought on industrial problems.

After the war there will be great problems to be worked out between the government and business. War ex-

perience in cooperative effort has already influenced public opinion. Now is the time for business men to give unmistakable evidence of the value of their constructive help. If business men rise to the opportunity and perform a great public service in bringing about the concentration of our industrial effort toward winning the war, they may look with confidence to having the opportunity after the war of giving advice and counsel to the people as to the future relations between business and the government.

IT is a common statement that not until the casualty list from the front brings home to us the results of temporizing, will our people be aroused to the need of unprecedented action and to that complete readjustment in life necessary to bring about a real concentration of effort toward winning the war. The costly experience of England is before us. Tens of thousands of her sons were sacrificed before the people set themselves to the grim business of war. If we are to profit by this experience, if we are to give our government necessary power without hesitation and delay, if we are to think in advance concerning industrial problems, the leadership in thought must be taken by business men.

FERRO-concrete ships do not prove to be a new thing under the sun after all. France had one in 1849. Germany has been constructing them on the upper Rhine, and so on. Germany used to build reinforced concrete barges at a cost

of 10 per cent less than for steel. In parts of the world where steel plates and labor have become most unattainable reinforced concrete vessels have taken on significance. A number of Norwegian yards now stand ready to build you a sea-going steel-and-concrete self-propelling vessel, —not merely a barge to be towed,—that will carry 1,000 tons or more. On this side of the water, too, some vessels of steel and concrete are under construction.



The Immigrant's Destiny

By Elias Lieberman

NOT because your stomach hammered
Wild antiphonies to Hunger;
Not because your senses clamored
Hate against a tyrant's lash;
Not because they mocked; derided,
Bruised or beat you, were you guided
By the beacon-flaming hand
From your flesh-pots filled with plenty
Here to this, a stranger land.

Not because they starved, your body
But because they cramped your soul,
Did you leave the seething lambkin
For a sorry traveler's role,
For a visioned distant goal;
Did you brave the seas of terror
For a mystic, western gleam;
Not because they cramped your body,
But because they starved your dream!

Not to plead a beggar's pittance,
Not to snatch a crust or crumb,
Not to hoard your tithe of riches
Nor to find it did you come!
Fate had roused you like a drum.
In your heart thrilled calls to action,
In your eyes, ambition—filled,
All the dreams of all our founders,—
Hero soul, you came to build!


Now—lest all our patience builded,
Tempest-shaken, totter . . . fall
Butress it with brawn and sinew!
Heed your country's danger call!



ment to meet the problems of war, our people must recognize the need of granting additional power and act in time. Where additional legislation is required for the solution of industrial problems, there is the utmost need of leadership in thought so that without delay all our people may know what must be done.

It has often been said that business men in America have not given much thought to public affairs, and it is doubtless true that only in rare instances has a business man en-

THE German thinks that a democracy cannot gather its strength in time to withstand the attack of an autocratic government. This conclusion rests not only upon lack of confidence in the leadership in a democracy, but upon the conviction that a free people can not respond quickly to leadership when established ideas must be upset. If business men are able to think out the industrial problems arising from the war, they can be of far-reaching help in making clear the thought



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England's War Service Committees

From Acetylene to Wood They Run—These Commissions That are Fighting Great Britain's Business End of the War

COMMITTEES and commissions have a large place in the organization for modern war. As yet our own committees and commissions do not at all approach the number organized in England, where there are two hundred or more. The English idea is to have officials transact actual business on behalf of the government; for their guidance in reaching decisions they utilize advisory committees of business men. Frequently, the official at the head of an official establishment is likewise enrolled from the ranks of business.

The committees and commissions organized in England may in some ways suggest the course of future development in the United States. Consequently, a partial list which was officially set forth by London in October for handy reference is presented here:

Acetylene Committee
Admiralty Coasting Trade Committee
Admiralty Board of Inventions and Research
Aerial Transport Committee
Aeronautics Advisory Committee
Agricultural Machinery and Implements Branch of the Ministry of Munitions
Agriculture and Fisheries Board and Royal Agricultural Society (Joint Committee)
Alcohol Supplies for War Purposes Advisory Committee
Army Contracts, Supply Committee
Army Supplies Commercial Department
Black List Committee
Bleaching Powder Committee
Blockade Ministry Committee
Building Labour Committee
Building Trades, Central Advisory Committee
Bureau Supplies Advisory Committee
Caul Control Committee
Capital Issues Committee
Carriage (Overseas) Committee
Carriage (Delay in Unloading) Committee
Cattle, British, Committee on Utilization of
Cattle Traders Committee
Coal Supplies Committee
Coal Mines Department
Cotton or Optics (Fertilizer) Committee
Commercial and Industrial Policy Committee
Controlled Establishments—Board of Referees on Profits
Copper Committee
Cotton Control Board
Cotton Exports Committee
Cotton Growing in the British Empire, Committee on
Defense of the Realm (Licensed Trade Claims) Commission
Diamond Export Committee
Dunlop's Tyres (Overland) Committee
Dyes, Commissioner for
Electrical Trades Committee
Electric Power Supply Committee
Enemy Debts Committee
Enemy Exports Committee
Enemy Supplies Restriction Department
Engineering and Shipbuilding Establishments Production
Erebus Profits Duty Committee
Expatriate Committee
Fertilizers Committee
Fats Prices Committee
Finance Department (Blockade)
Fish (Course), Irish Committee
Fish (Control) Committee
Fish Food and Motor Loan Committee
Fish Traders Committee
Fish (Timber) Imports Committee
Fish Water Fish Committee
Fish (Sea) (Scottish) Committee
Flour Mills Control Committee
Food Ministry
Food Production Advisory Committee
Food Production Department
Food Production in Ireland Advisory Committee
Food Production in Ireland Departmental Committee
Food Production in Scotland Committee
Foreign Committee (Farm Product)
Foreign Liaison Office
Foreign Trade Debts Committee
Foreign Trade Department
Fuels (Import Licenses) Committee
Fuel Research Board
Fuel and Optical Instruments Committee
Grain and Potato Crops (1917) Committee
Grain Supplies Committee
Grain Marketing Committee
Hop Control Committee
Horse Breeding Committee (No. 2)
Hose (Utilization and Feeding of) Committee
Housing (Building Construction) Committee
Housing (Mineral Resources Bureau)
Housing (Preference, Ministerial Committee on)
Housing (Restrictions Department)
Housing (Wheat) Committee
Industrial War Inquiry Branch
Information Department of Foreign Office
Insurance of British Ship's Cargoes
Insurance Intelligencer Department
Iron and Steel Industries Committee
Labour Advisory Committee, National Service Department
Labour Supply
Labour Substitutes (Scotland) Committee
Leather Supplies—Central Advisory Committee
Licensing Committee (Exports and Imports)
Liquor Trade—Financial Aspects of Control and Purchase
Liquor Trade, Central Control Board
Lubricating Oil Advisory Committee
Machine Tool Committee
Machinery and Implements, Agricultural
Machinery, Central Clearing House for
Meat
Metal (Non-Ferrous) Trade Committee
Metals and Materials Economy Committee
Merchants Marine (Seamen), Conditions of Employment
Merchants Marine (Seamen), Efforts, Grants for Losses through Hostile Operations at Sea Committee
Milk Distribution Committee
Mine Rescue Research Committee
Mineral Resources—Advisory Committee
Mineral Resources—Bureau Committee
Mineral Resources—Departmental Executive Committee
Munitions Financial Advisory Committee
Munitions Finance Committee
Munitions Home Labour Committee
Munitions (Inter-Ally) Bureau
Munitions Inventions Fund
Munitions Labour Priority Committee
Munitions Ordnance Committee
Munitions Parliamentary Executive Committee
Munitions Priority Advisory Committee
Munitions Workers' Health Committee
Munitions Work Report Committee
National Service Central Advisory Committee
National Service Department
National Service (Medical) Department
Oats Control Committee
Oils and Fats, Department of the Ministry of Munitions
Oranges, Advisory Committee on Imports
Overseas and Government Loans Committee
Paper Supplies Restriction Committee
Passenger Traffic between United Kingdom and Holland
Pearl Deposits in Ireland, Committee on
Perfume Department
Petroleum Executive
Petroleum Fuel Board
Petroleum Regulation of Supplies Committee
Pig-Breeding Industry (Ireland) Departmental Committee
Pork and Bacon Executive Committee
Potash Production
Potash Advisory Committee
Pre-War Contracts Committee
Price Control Release Committee
Price Claims Committee
Price (Overseas) Disposal Committee
Production, Committee on
Purchases Department
Railway Executive Committee
Railway Executive Committee (Ireland)
Rationing Committee
Ravittailment, Commission Internationale de
Raw Materials Finance Branch of the War Office
Registration Ministry
Registry of Business Names
Registry of Business Names Committee (Ireland)
Reserved Occupations Committee
Road Stone Control Committee
Rubber and Tin Exports Committee
Scientific and Industrial Research Department
Scottish Shale Industries Committee
Shipbuilding Advisory Committee
Shipbuilding Construction Committee, Ministry of Shipping
Ship Licensing Committee, Ministry of Shipping
Ship (Overseas) Devotion Committee
Shipping and Shipbuilding Industries Committee
Shipping Control Committee
Shipping International Committee
Shipping Ministry
Spirits and Wine, Delivery of from Bond
Standard Uniform for Mercantile Marine Committee
Sugar Supplies Royal Commission
Supply of Ammunition Committee
Sulphur, Sicilian, Committee on Supplies of
Sulphuric Acid and Fertilizer Trades Committee
Tobacco Advisory Committee
Tobacco Control Committee
Tobacco Supplies Department
Tobacco and Matches Control Board
Tobacco (Import Licenses) Committee
Tonnage, Priority Committee
Trade of the Sea
Trade, of between British Empire and Belgium
Trading with the Enemy Advisory Committee
Treaties with Enemy Countries Revision Committee
Trench Warfare Chemical Advisory Committee
Trench Warfare Commercial Advisory Committee
Trench Warfare Mines Committee
Trench Warfare Research Advisory Panel
Trench Warfare Supply Department, Chemical Section
War Out put, National Advisory Committee
War Risks Insurance Office
War Trade Department
War Trade Advisory Committee
War Trade Intelligence Department
War Trade Statistical Department
Wheat Executive
Wheat Supplies—(Royal Commission)
Woods and Stones (Import Licenses) Committee
Wool Purchase Central Advisory Committee
Woolen and Worsted Industries Board of Control

The Most Practical Method



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"Brakes On" for Food Speculators and Wasters

Government Takes Control of Basic Foodstuffs, Licensing Dealers, to Insure Conservation, Equitable Distribution and Fair Prices

By ANSELM CHOMEL

WE have learned many new tricks since April 6, 1917. The latest is to eat our breakfast, our dinner and our supper under license.

The government has not gone so far as to say that a man must have a license before he may eat. It has, however, taken control of our basic food supplies, and decreed that what we may call the major distributors of foodstuffs must be licensed. A brake has been established by which the flow of those commodities can be regulated. Applied at a given point between producer and consumer—to be exact, applied to the wholesaler—the power of the government reaches down through the retailer into the kitchen.

Consider sugar, the retail price of which has lately given the Food Administration much concern. Extortion, clearly (made possible by a temporary shortage), was being practiced in some quarters, and the Food Administration gave instructions to refiners and distributors not to supply sugar to retailers who were charging exorbitant prices.

The government's machinery would doubtless operate in much the same fashion against dealers who should, by unlimited sales to private consumers, encourage hoarding in the pantry, which is just as much of an offense against the equitable distribution contemplated by the law as is hoarding in the warehouse of a jobber. It is, consequently, little or no stretching of the truth to say that what comes to your table comes by grace of the government's permission.

As in our domestic trade, so in our export trade. No longer are we at liberty to barter with whom, and when, and where we will. The government, through its system of export licensing, sees to it that in our exchanges of products with other countries, the national interests are subserved.

THE curtailment of personal liberty is a wide departure from our traditional Americanism. We used to be a bit assertive of the rights of the individual. If the government had told us ten years ago, or a year ago, how much breakfast food we could buy at a time, that on one day of the week we ought to eat no wheat, and always to lick the platter clean, there would have been, speaking politically—the devil to pay. Now, however, we force exponents of the rights of man are tamely doing what the government tells us to do, and wondering anxiously whether it has overlooked anything. We are apt to be impatient not because the government is taking so many things into its own hands but because it is leaving so many things in the hands of others.

The phenomenon is not hard to explain. The paradox of a government's turning automatic in a sense in order to make the world safe for democracy isn't a paradox at all. We are merely disciplining ourselves mildly in order that we may not be disciplined severely by the Germans. We are saving food for the men fighting our battles in France so that we may not have to provide food for an army of Huns

invading the United States, and submitting to a dozen little hardships in order that we may not be ignominiously whipped by the apostles of frightfulness.

We shall grow more and more patient under petty restrictions—for after all it is only boys who are going into the trenches who have been asked to do anything heroic—we shall grow more patient in proportion to the frequency with which we dwell on this sobering thought—that there is a danger, a very real danger, that Germany will soundly trounce us. To eat less wheat and more cornmeal, less meat and more fish, but always eating as much food of one kind or another as we need, so that we may ward off that danger, does not seem to be so hard.

There we have the reason why President Wilson issued a proclamation to the effect that, beginning November 1, it would be unlawful for certain classes of distributors of some of the fundamental foodstuffs—clearly defined—to operate without licenses.

The basic foodstuffs thus taken under control are 20 in number. Divided and subdivided into the various forms in which they find their way to your kitchen, they make a formidable list of 64 items, beginning with wheat flour and ending with molasses.

FOLLOWING is the list of 20 basic foodstuffs which, together with their derivative products, have passed under government control for the period of the war. It is now unlawful for meat packers, cold storage warehousemen, millers, cannery, elevator owners, grain dealers, wholesale merchants, and retailers doing a business of more than \$100,000 a year, to handle these commodities without a license from the Food Administration.

- Wheat, wheat flour, rye or rye flour.
- Barley or barley, rye or rye flour.
- Oats, oatmeal or rolled oats.
- Corn, corn grits, cornmeal, hominy, corn flour, starch from corn, corn oil, corn syrup or glucose.
- Rice, rice flour.
- Dried beans.
- Pea seed or dried peas.
- Cotton-seed, cotton-seed oil, cotton-seed cake or cotton-seed meal.
- Peanut oil or peanut meal.
- Soya bean oil, soya bean meal, palm oil or copra oil.
- Oleomargarine, lard, lard substitutes, oleo oil or cooking fats.
- Milk, butter or cheese.
- Condensed, evaporated or powdered milk.
- Fresh, canned or cured beef, pork or mutton.
- Poultry or eggs.
- Fresh or frozen fish.
- Fresh fruits or vegetables.
- Canned: Peas, dried beans, tomatoes, corn, salmon or sardines.
- Dried: Prunes, apples, peaches or raisins.
- Sugar, syrups or molasses.

The persons affected—there may be 200,000 of them—are those engaged in importation, manufacture, storage and distribution—meat packers, cold storage warehousemen, millers, cannery, elevator owners, grain dealers, wholesale merchants, and retailers doing a business of more than \$100,000 a year. Other retailers are exempt—for the time being. The law does not reach them, except indirectly, as already made clear. Congress, however, will convene on December 3, and its arm will be long enough to seize anyone who attempts to set its food control enactments at naught.

Additional laws may not be necessary to prevent, in the language of Congress, "locally or generally, scarcity, monopolization, hoarding, injurious speculation, manipulations and private controls" of necessary foodstuffs.

Leading men of the National Retail Grocers' Association, the independent retail grocers, and the chain stores of the country, representing the consolidated retail grocery interests of the United States, numbering in all some 350,000 merchants, met in conference with members of the Food Administration and promised, in 15 patriotic and specific resolutions, to observe the spirit and the letter of the law, even though the letter does not apply to them.

That is the kind of voluntary cooperation which the Food Administration hopes to see engendered everywhere. To go back a little way and pick up one of the threads of our story, the American people are disciplining themselves. It is for them to save food by substitution and to forego profiteering. That is the ideal method—for the people to do this thing themselves, the government merely setting up the machinery by which it can be accomplished in an orderly fashion.

TO that end, the issuance of the President's proclamation was somewhat delayed by the Food Administration, owing to its desire to complete the conferences—some 200 in number—which it has been holding with representatives of the various trades and of producers and consumers. It has been the desire of the Food Administration to secure the cooperation of all patriotic men in the various trades so as to eliminate speculation, hoarding, unreasonable profits and wasteful practices in the distribution of foodstuffs. Its aim has been the development of constructive methods of control.

It is the purpose of the Food Administration to effect conservation in the commercial use of the licensed commodities, and to keep them flowing toward the consumer in direct lines through the channels of trade in as economical a manner as possible. It does not wish to disturb the normal and necessary activities of business, and no business factor which is performing a useful function will be expected to surrender that function.

The Administration, however, is charged with certain duties. It is its business to see to it that the producer has a free outlet and a ready market. There must be no manipulation or speculation in foods. There must be no hoarding. Unfair or unreasonable profits must be eliminated. Discriminatory, deceptive and wasteful practices which in any way restrict supply or distribution must be stopped. Those are the provisions of the food law. The licensing system is the machinery for their enforcement.

There are some who will not be reached by an appeal to the finer emotions, and the disturbed conditions would give them an opportunity, if unchecked, to lay heavy burdens upon the people generally. Consequently Congress was not niggardly in equipping the President—in this case that means the Food Administration—with power. He may prescribe "requirements for systems of accounts and auditing of accounts to be kept by licensees, submission of reports by them, with or without oath or affirmation, and the entry and inspection by the President's duly authorized agents of the places of business of licensees." He also has power to revoke licenses for violations of the law or of the regulations prescribed by the Food Administration.

Men experienced in the production and merchandising of the licensed commodities will aid in administering the law. This enforcement will be, as far as possible, localized. The State Federal Food Administrators will receive records of all licensees in their states,

and local complaints of violations of the law or failure to secure licenses will be lodged with them.

Profiteering is not the only evil at which the food law was aimed. The extraordinary demands upon our supplies of foodstuffs create abnormal conditions which seriously interfere with the operations of trade, and it is of vital national importance that such control be exerted as will remedy, as far as may be, these economic disturbances. In every one of those

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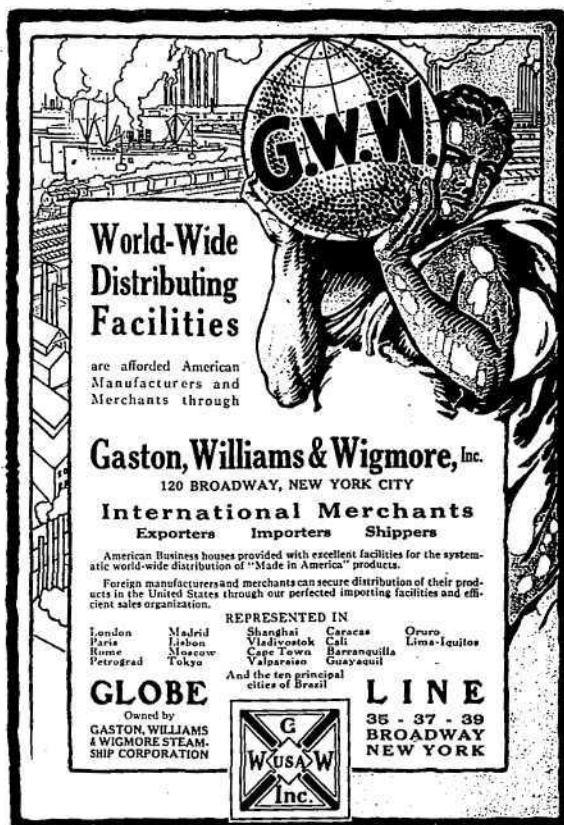
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Pat. May 13, 1913

200 conferences already referred to, between the Food Administration and representatives of trade, there has been the feeling, openly expressed, that the licensing system, operating evenly in every part of the country, will be a protection to the great majority of producers and distributors, as well as to the public, against such derangements of the machinery of commerce and against the operations of the unpatriotic few who may seek to exploit the necessities of life.



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When the Guns Begin To Shoot

(Continued from page 10)

council of national defense should be created, including as members "civilian business administrators of eminent standing." (The Council of National Defense, organized by Act of Congress four months later, is composed of six Cabinet members, with no business associates, business men being enlisted under the Advisory Commission to the Council.) Create also a staff for industrial mobilization and a general staff for the Navy. Restore the Navy to its former proud position in the Atlantic, make it powerful in the Pacific and in the waters about the Canal Zone. Increase the Regular Army, institute universal military training, educate private industry in time of peace in the manufacture of war material. Add to the Regular Army for detached service an adequate number of commissioned and non-commissioned officers, and create a properly trained officers' reserve corps.

Did the Chamber, through its committee, have vision?

Two months and more before Congress pledged all the resources of the country to

the prosecution of the war which it declared existed between the United States and Germany, another pledge was given in the city of Washington—given on the very heels of the note from Germany announcing resumption of unrestricted submarine warfare. The National Chamber was in annual session—400,000 membership represented by 1,288 delegates and officers—and the promise was given, 1,288 men speaking as one, that, whatever happened, American business would back the President.

THE Chamber, for business, had handed to the government an unlimited supply of I. O. U's calling for service. Salary—none. Limit of working day—not stipulated. Character of service—any. References as to ability to handle any business job, big or little, big preferred—the best.

The Council of National Defense, newly created, presented the first of these I. O. U's for redemption. The 14 local quartermasters of the Army (there are now 16) needed business experts to sit at their elbows while they were opening bids for Army supplies and advise them as to texture, price, delivery, etc. For each quartermaster depot, the Chamber

provided a committee of five business men each a specialist in his line.

These men signalized the close union of business and government in the work of national defense by a spectacular performance. Failure of Congress to pass certain appropriation bills threatened to stop the purchase of supplies for our soldiers. To some contractors the Government owed as much as \$250,000, and the contractors faced ruin. They refused to furnish further supplies until the Government should pay its debts.

The committees representing the Chamber cut the knot by appealing to the patriotism of bankers. Weighing the matter strictly on its merits as a business transaction, no bank would have advanced money on the contractors' vouchers, because they were so drawn, following legal requirements, that they were worthless as security. Yet one New York banker, personally assuming the liability, agreed to lend \$1,000,000 on such vouchers, for an indefinite time, and without interest. Similar arrangements were made in Boston, Philadelphia and San Francisco, but a ruling by the Federal Reserve Board made it unnecessary to carry them out.

ALL this was before war was declared. What has the National Chamber done since to aid the Government?

Glance at the list of special war committees which have been at work—remember there was no 8-hour-a-day reservation in the Chamber's offer of service:—War Shipping, Food Administration, Financing of War, War Payrolls, Price Control, Cooperation with the Council of National Defense, Coal Conservation, and 16 local committees to cooperate with Quartermasters. The work of the committees on railroads and daylight saving, while dealing with these subjects broadly, has had an important bearing on the war situation.

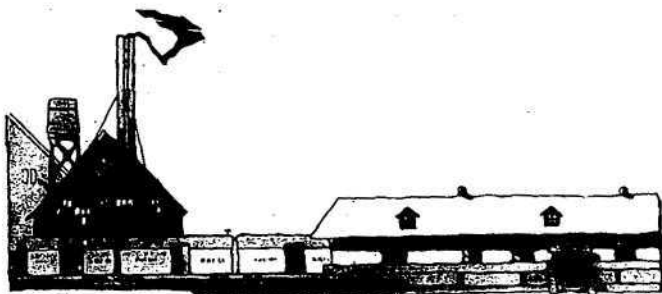
The Chamber stands sponsor for the proposition that business men are not to derive excessive war profits on account of supplies furnished to the Government. Through referendum, it declared for a liberal increase in taxation and for excess profits taxes. At the request of the Government, it studied carefully the systems employed in other countries for the relief of dependent members of soldiers' and sailors' families.

The Executive Committee of the Chamber has been in almost continual session, sitting as a war council representing business—men of affairs, and big affairs at that, leaving their business and coming to Washington to turn their hands to anything helpful to the Government. Undertaking investigations for the Government, securing the voluntary services of men of the highest ability for government work, furthering every plan for the preparation of the country for war, cooperating with every agency set up by the Government.

The Chamber advocated a campaign to convince the people that we are at war and must put forth, as it were, superhuman efforts. It advocated the creation of a real War Board to put an end to the confusion reigning in the purchase of war materials. It called together the leaders of commerce, industry and finance in a great War Convention of American Business.

It has aided materially in bringing business and Government—buyer and seller—together to the end that every want of the Army and the Navy may be supplied. Through its Committee on Cooperation with the Council of National Defense, it has said to business men, the Government needs this and this and this, and it will deal with you in this manner.

It has aided too in the adjustment of busi-



Here Is Good News For You

**Railroad Freight Rates Reduced
By 10 to 30 Percent**

THIS good news has caught your eye, we knew it would, and now suppose we tell you that even though these are the days of ever rising costs, you can not only cut your freight bills but save storage space, reduce damage and breakage and absolutely prevent the pilfering of goods in transit.

You are interested now, the word "how" is on the tip of your tongue. All right, here is the answer. By doing what so many others are doing, shipping your goods in boxes of

Hinde & Dauch
Corrugated Fibre Board

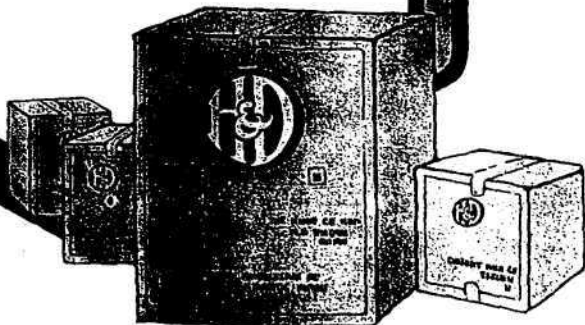


Perhaps this is not news to you, it is an old story to many of the largest concerns who not alone know the saving assured by the H & D Containers, but know H & D Quality protects them always.

H & D Quality means much to you—it means that from raw stock to "box supreme" only the best enters into the construction of the best box for every package—The H & D Containers. Proof! Enormous as our facilities are, the constantly growing demand from shippers seriously taxed them and made enlargement imperative.

Send for "H & D Quality—What it is and Why." It is an instructive little booklet which will prove to you why so many concerns will not stand for any but boxes of the irrefragable H & D Quality

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304 Water Street Sandusky, Ohio





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LONG ISLAND CITY, N. Y.

¶ The finest and most satisfying Anti-Friction Metal for Locomotives, Marine and Stationary Engines or other Machinery.

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¶ Quality not price is our claim for your orders.

At Home and Abroad They Use Wells Fargo Checks



Wells Fargo & Company
London Paris

IN London and Paris Wells Fargo has its own offices in charge of experienced men eager to serve our soldiers and sailors who go over to do their bit.

ness to war conditions, saying to these same business men, the Government will need all of this material, substitute so and so; railroad congestion will no longer permit you to get fuel from that distant field, therefore you must find a source of supply nearer home.

That has been service not only to business men but also to the country, because it has been a spur to manufacturers to study conditions and adapt their operations to them. In that way they have been enabled to work with great efficiency and speed in furnishing the supplies needed by the Government.

BUT when all is said and done, I am inclined to believe that the Chamber has rendered no greater service than in leading men to think seriously about the economics of war. In a crisis, so a popular fancy runs, turn to the man of action. Yet that is the time of all times when the student with correct principles at his finger tips—the "mere" theorist, if you are one of those who consider it a waste of time for a man to learn the ABC's of a science which he must apply in his

daily work—is indispensable. We can, in truth, put up better with the experiments of crazy "economists" in peace than in war, yet it is during war that we are told to throw caution to the four winds and trust to the providence which exercises a tender care over fools and children. In any great national upheaval, unsound theories spread like the green bay-tree. False scientists and false prophets arise and cry: lo, here is truth, and here and here. Men of action without a firm grasp of sound principles have more than once led governments into strange and perilous paths. The king who with his army marched up the hill and then marched down again was a man of superb action, but his army won no victories.

War then calls for a right understanding of economics. Consider one thing—price fixing. There is a demand from many quarters for the Government to say how much a dealer may charge for pork and beans and potatoes. Suppose the Government did that. Would the supply of pork and beans and potatoes diminish or increase? Would the people at

home have enough to eat? Would we have food to send to our soldiers in France, and our Allies? Would there, in short, be a feast or a famine?

Such questions are not to be disposed of offhand or by "practical" men. Here the man of correct theories is as a lamp to the stumbling feet of the man of mere action.

The Chamber, through its referendum, has insinuated that lesson into the minds of men. It has subtly influenced men to think things out, and, when they found themselves limping, to turn for help to those who knew. There has, in consequence, been a diffusion of reliable information and a rendering of accurate judgments by individuals which have gone to the upbuilding of sound public opinion. And the sounder the great mass of thought, prejudice and emotion which we call public opinion can be made, the better for the country and the world.

It is safe to say that the members of the National Chamber have more facts at their command and are able to reason more lucidly and logically and have contributed to the education of the public mind on that vital question—that very vital question—of financing the war because of the Chamber's referendum on the subject of taxation and bond issues.

The service which business men are rendering to the country, individually and jointly—jointly through the Chamber and individually to a large extent because of the spirit born of it—is without price and beyond price.

Has the Chamber kept its word to the Government?

Organized business—the Chamber of Commerce of the United States—has become a national institution and a national asset. As late as 1915 a magazine writer thought it worth while to assure the public, a public still somewhat inclined to be apprehensive when it saw two or three business men gather together, that there was really "nothing sinister about rapidly growing cohesion among business men nor about their influence at Washington."

We have become accustomed to representatives of business—big business, if you please, and the bigger the better—working hand in glove with government officials. The spectacle does not shock us. We wonder, in fact, how we would get along without them in this crisis.

Building Trade with Mexico

THE National Chamber of Commerce at Pueblo, Mexico, has written the Pan American Union expressing the desire to receive, for the Mercantile Library which it has founded in that city, catalogues, trade publications, directories, and all kinds of literature that may be of value or interest to its members. Publications should be addressed to the "Camara Nacional de Comercio de Puebla, Apartado 39, Puebla, Mexico."

I have just been looking over the October number of THE NATION'S BUSINESS. You are to be congratulated.

Referring to page 65, view of Detroit—Detroit is my old home. The wit who criticizes Wall Street as a street which has a graveyard at one end of it and a river at the other still applies. Griswold street is the Wall Street of Detroit, a river at the lower end and a grave yard in the little park in the foreground of the picture where lies Stevens T. Mason, the First Governor of Michigan; and where was erected a monument to Governor Mason by the State of Michigan.

FRED E. FARNSWORTH,
American Bankers Association.
New York City.

Chequers Court and the American Ambassador

OFFICIAL RESIDENCES.—a furnished house with the public office, and, when the ideal is attained, the house maintaining the dignity of the office regardless of the shortcomings of individual incumbents,—have not become numerous among us. To be sure, the White House is such a national institution that no one who is elected President is likely to have the hardihood to refuse to live there, and gubernatorial mansions of high and low degree are fairly numerous over the land. Even so, we have not yet got along to the point where we provide our cabinet officers with much more material equipment than a pair of horses, an open carriage and a darkey driver.

England has done better, in a way. No. 10 Downing Street is known around the world as the place where the Prime Minister keeps his household gods until the opposition literally turns him out of house and office. At least three other British cabinet ministers get houses and furniture along with their official investitures,—the First Lord of the Treasury, the Chancellor of the Exchequer, and the First Lord of the Admiralty.

These houses are ordinarily not provided by the government, either. They are usually gifts from private individuals. No. 10 Downing Street, for example, was given to Sir Robert Walpole when he was First Lord of the Treasury and he handed it over to the government for the use of his successors in office. So many of the Prime Ministers chose the Treasury portfolio for themselves that the house has virtually been filched from one office to another.

In the latest private endowment of a public office in England the United States has an interest. A country house that comes up to the best British traditions for such establishments has been bestowed upon the office of Prime Minister. The donor has added an endowment for maintenance, together with a provision for a sort of bonus for actual occupancy at week ends by the Prime Minister.

The interest of the United States arises out of an arrangement for succession in the right of occupancy. If the person who for the time is Prime Minister does not care to exercise his right, the Chancellor of the Exchequer has refusal of the place, with the Foreign Secretary as his successor. If these officials prefer to spend their hours in the country somewhere else the American ambassador may take up his abode at Chequers Court, Buckinghamshire, and reign it like a lord of the manor over the estate of fifteen hundred acres.

The compliment is very pleasant. How soon we may reciprocate in kind, however, we can scarcely guess. In recent months our fellow citizens who have mansions at their disposal have granted them outright for temporary occupancy by foreign missions. So far as public rumor yet discloses, however, they have not as yet got to the point of endowing the office of the Secretary of State with anything which will compare with a Tudor mansion, mullioned windows, great hall, and apurtenances that would quite come up to the taste of Washington Irving himself.

Diverting Christmas Cheer to the Trenches

MANY war relief organizations will be the gainers this winter from the decision of a growing list of business houses to give for war relief the large sums which they have in the past been accustomed to spend on holiday greeting cards. A letter, signed by eleven firms, has been sent out broadcast to business firms, trade magazines, newspapers and the like, calling attention



The Instant Summons

*'Instant, through copse and heath, arose
Bonnets and spears and bended bows;*

*As if the yawning hill to heaven
A subterranean host had given."*

The whistled summons of Roderick Dhu, the hero of Scott's "Lady of the Lake," caused his Highland warriors literally to spring from the earth. Ere the echo died away, from behind bush and rock emerged the loyal and ready clansmen. In armed silence they awaited their chieftain's bidding and typified his might.

Today the Commander-in-Chief of our nation's armed forces and the resources behind them, can, by lifting the telephone receiver,

instantaneously set in motion all the vast machinery of warfare, munitions, transportation and food conservation.

Like the Scottish mountaineers, the American people must stand in loyal readiness to perform any service in furtherance of the nation's high aim. Such a spirit of co-operation and sacrificing of individual interests can alone make certain the accomplishment of the great task to which our country is committed.



AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

One Policy One System Universal Service

to the folly of spending money on cards when every cent is needed to alleviate terrible suffering abroad. The letter urges that the thousands of dollars ordinarily spent on cards be sent to such organizations as the American Red Cross, the American Fund of French Wounded, and others. It is signed by the Illinois Steel Company, the Morden Frog & Crossing Company, the American Steel & Wire Company, the Universal Portland Cement Company, the Lackawanna Steel Company, the Carnegie Steel Company, the Inland Steel Company, the Chicago Railway Equipment Company, the A. M. Castle & Company, the P. & M. Company and the A. J. O'Leary & Son Company.

STATEMENT REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, OF THE NATION'S BUSINESS, published monthly at Washington, D. C., for April 1, 1917.
Washington, D. C.: Before me, a Notary Public in and for the State and county aforesaid, personally appeared D. A. Skinner, who having been duly sworn according to

law, deposes and says that he is Assistant Secretary of the Chamber of Commerce of the United States of America, Publisher of THE NATION'S BUSINESS, and that the following is to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 442, Postal Laws and Regulations, printed on the reverse of this form to-wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher—Chamber of Commerce of U. S. A., Washington, D. C. Editor—Merle Thorpe, Washington, D. C. Managing Editor and Business Manager, none. 2. That the owners are: Chamber of Commerce of the United States of America, Washington, D. C. Said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors, the officers and members of which are as set forth in Exhibit A, attached herewith. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

D. A. SKINNER, Assistant Secretary,
Chamber of Commerce, of the United States.
Sworn to and subscribed before me this 22d day of October, 1917. FLORENCE L. CULVER
(My commission expires Nov. 15, 1917.)

NEW RUSSIA

*A Magazine Issued with
the New York Evening Post
on December 29th*

ON December 29th will be published the first comprehensive, authentic message from New Russia to America.

Its mission is two-fold: (1) to interpret New Russia, and to strengthen the bonds of friendship between the oldest republic and the newest; and (2), to supply Business America with the practical information needed to assist in Russia's commercial development.

The message will be most significant,—for the leaders of New Russia have devoted themselves personally to its preparation.

New Russia is alive with prospective business for America. Her stage is set for the greatest industrial and commercial romance of the age.

But not to be outdistanced by the preparations of other countries, who have already grasped Russia's hand and moved toward their own opportunity, America should get ready now, and lubricate the wheels of trade with real information about New Russia.

"New Russia" will be published in both the English language and the Russian. Arrangements already completed assure it as extensive and important a circulation in Russia and in England, as in America.

This service to American Business is under the direction of the

INTERNATIONAL BUREAU

The New York Evening Post

MORE THAN A NEWSPAPER
—A NATIONAL INSTITUTION

*Orders for extra copies should be filed at once. 5 cents
each; foreign, 15 cents. Advertising rates on application*



Pertinent Reactions From Our Readers

A Man Who Took King Coal by the Throat

To the Editor: Your work on the problem of coal shortage is most important. Here is a phase of the matter which I took up with our State Council of Defense.

I have not an exact idea in definite figures how many steam boilers are in inefficient shape in the United States, but the number must run into many thousands. One very simple thing that wastes any amount of coal (and what is even as important right now, runs to carry same) is the fact that so many boiler settings are leaky, and cold outside air is drawn in at an expense of 10 to 15% on the coal efficiency. I suppose a great many manufacturers are in ignorance of this fact. For our part, here in our own plant we use electric current supplied from the city sources, and our steam plant is for heating and drying purposes only, so that our loss in this connection had remained unnoticed until just recently, and we have had an engineer's advice. We find that by covering our boiler settings with a preparation called "Acetite," prepared by the Johns-Manville Co., we can at a very slight expense overcome this loss, and are told that it will run from 10 to 15%.

The National Laundry Owners' Association have a laboratory which is working along these same lines, and they have issued a recent bulletin on it.

Our work was claimed to be too short by the engineer, and a slight expense on that will also reduce the amount of coal we burn. We are also changing the style of grate we use so that the grate area we use can be regulated according to the amount of fire desired. Actual experience shows a combined saving of about 25%.

Now, our plant was, in its former state, probably more efficient than the majority of steam boilers throughout the country, and if we can effect a 25% saving, surely the total saving throughout the country would be enormous.

My suggestion to our State Council was that they secure eight or ten steam engineers to pass rapidly through the State and make recommendations immediately this fall.

WATTE GRASS CANNERY CO.
O. T. Walte, Secretary.

It Shall Be Done. Thank You!

To the Editor: A company of eight hundred Michigan business men visited Camp Custer, at Battle Creek last week. At this camp, which houses about thirty-five thousand men of the new army, there are seven Y. M. C. A. buildings completely equipped, and patronized to the limit of their capacity by the young men of the army. Talks with several enlisted men of various religious faiths proved to me that the Y. M. C. A. reading rooms are regarded as the best substitutes for "home" among the enlisted men. I believe every one of these reading rooms should have on its walls a framed copy of the wall card "The Battle Cry of Business." Please send me ten copies. I will have them suitably framed and forwarded to the Y. M. C. A. General Secretary at Camp Custer with the request to have them sent immediately.

You know what it will mean to those men to have before them the visible assurance that business is going to back them to the fullest extent, and I suggest that you pass along the idea to the end that this inspiring document may be displayed in every Y. M. C. A. reading room in every town in this country and in every Y. M. C. A. hut in Europe where American soldiers can read it.

WILSON ENGINEERING CO.
By GEORGE B. WILCOX.

Saginaw, Mich.
Doesn't Sound Well From a Man Named Rene, Does It?

To the Editor: In your last issue, Lord Northcliffe, in one of his diverting little articles says, "War such as this is not a 'v' word." Of course not. No war is evil to men of his ilk. The more war the merrier. Your publication has ever been recklessly disgusting to me and never more so than now. Of what avail to you or Lord Northcliffe if twenty-five millions of men go to terrible deaths when billions of profits are in sight. No doubt your philosophy could be summed up in words like these: "Murder, pill and torture for we have already sold ourselves to the devil."

Washington, D. C. DOUGLAS RYNE.

And the Same Mail Brought This

To the Editor: We have received copies of the first three numbers of our recent suspension and will say that your publication is in a class of its own.

We have never seen anything to compare with it for the business man who cares to get jobs done.

U. S. MANUFACTURING COMPANY,
Columbus, Ohio. CARL BROWN, Manager.



The Garfield Formula

(Concluded from page 21)

the money earned in the public service. "A political career, even then, is precarious. It may be terminated at any time and actually because of meritorious conduct and service. Yet, perhaps, it is not more pre-

More work to do and fewer to do it



THERE'S no dodging the issue.

The call to arms is thinning office forces.

Ordinarily, there would be no lack of figure clerks to fill vacant positions in accounting departments.

It is not so now. Already the "Help Wanted" ads predominate. Can the remaining members of your accounting staff hold the line?

It is a question of proper equipment—re-inforced by the Comptometer, they can.

And the reason is simple.

It is because Comptometer Speed saves time and labor—not by a hair, but by a big margin—not merely on addition, but on all the figure work of the office.

Add to that the "Controlled-key" safeguard, and you have Speed plus

Accuracy—the biggest factors of efficiency in accounting.

You can count on the combination pictured above to speed up the Proving of Postings; Balancing Accounts; Footing Trial Balance—to handle the work of two mental Bill Extenders—then turn with equal facility to the Figuring of Costs, Pay-roll, Inventory—anything in figures.

You don't have to take anybody's word for it. Either the Comptometer will or will not fill the breach in your case.

You can easily find out. Ask a Comptometer man to test it on your work. That will settle it. A phone call bring him.

Felt & Tarrant Manufacturing Co., 1727 N. Paulina Ave., Chicago

CONTROLLED-KEY
Comptometer

The controlled-key safeguards accuracy

ADDING AND CALCULATING MACHINE

HOTEL MCALPIN
BROADWAY AND 34TH ST.
NEW YORK CITY

AN HOTEL OF THE HIGHEST CLASS SPECIALLY ADAPTED TO THE NEEDS OF THE BUSINESS MAN

L. M. BOOMER
MANAGING DIRECTOR

carious than the law, or medicine, or business."

"And succeeding," the interviewer inquired, "what would be the young man's reward?"

"More than in any other career," Dr. Garfield replied, "it is necessary in politics that ambition to gain a definite goal be checked and that the aim be to do faithfully and to the best of one's ability the particular duty in hand. Otherwise the career is embittered by disappointment."

"To him who pursues his career with this higher aim may come great honors, place and power. I say, may come. The only sure return is the satisfaction that compensates him who has devoted his life to his country."

"Efficiency Multiplied"

16,968 Executives are doing The Nation's Business with

THE nation's business today is done rapidly by the quickest and most direct means, it is done to the point. Every business organization must "do its bit" with a diminished working force.

Under these existing conditions, those firms that have the Dictograph System installed find that the intensive use of this important phone service permits those who remain to assume, without failure, the duties of those who have been called to war.



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This 45-Key Dictograph Master Station

He can call them any hour of the day or night by the mere pressure of the proper key. All connections made directly and automatically without going through a switchboard.

THE Dictograph System will speed up the work of each individual in your organization because it

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Relieves the Phone Switchboard of all intercommunication burden, and
Increases Personal Efficiency

Send for the Essay and know how it can be applied to your business.

Representative Users of the Dictograph Interconversing System

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Fourth St. National Bank, Phila.
Guaranty Title & Trust Co., Cleveland
Union Trust Co., Chicago
Brooklyn Navy Yard, New York
Secretary of Commerce, Wash.
Secretary of Interior, Washington
Secretary of State, Washington
Secretary of War, Washington
American Loco. Co., Schenectady
DuPont Powder Co., New York
Federal Motor Truck Co., Detroit
Kelly Springfield Tire Co., N. Y.
Packard Motor Car Co., Detroit
Singer Mfg. Co., New York
T. H. Symington Co., Rochester

Timken-Detroit Axle Co., Detroit
United States Steel Corp., N. Y.
Baltimore & Ohio R. R. Co., Balt.
Bouring & Co., New York
Coca-Cola (Nema Corset), N. Y.
Pennsylvania Railway, Philadelphia, Altoona and other points
San Francisco Bulletin, San Francisco
Southern Pacific Co., San Francisco
Standard Oil Co., Philadelphia
Equitable Life Assn. Co., N. Y.
Liverpool, London & Globe Ins. Co., New York
Springfield Fire & Marine Ins. Co., Springfield, Mass.
Phoenix Mutual Life Ins. Co., Hartford, Conn.
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FACTORIES: Jamaica, L. I. London, Eng.

Branch Offices in Principal Cities

Human Side of Hon. Congressman (Concluded from page 21)

do it out of ignorance, but because in this particular case it was seven to one that the soldier was getting, and therefore I said—

MR. CLARK, OF MISSOURI. Nobody would ever insure insurance to the gentleman from Massachusetts. That would be ridiculous. [Laughter.]

Now, about the insurance. I believe in insurance. I carry every kind of life insurance that human ingenuity ever devised—time insurance, endowment insurance, straight insurance, assessment insurance, accident insurance. I carry \$10,000 accident insurance and \$24,000 life insurance. The first insurance policy that I ever took out was when I was a very young man attending the Cincinnati Law School. I took it out for the benefit of my father in the Ancient Order of United Workmen, and for \$2,000 insurance it cost me \$24 a year—when it started. [Laughter.] I held on to that thing, and after a while it commenced going up, and it kept on going up until it cost more than straight old time insurance did. Well, after it went up, I let go. My father had died, and therefore did not need the insurance. Nevertheless, I have some assessment insurance left. They are all converting it now into some kind of old-line insurance. I believe in insurance. I never was able to save any money, and I was determined

that my wife and children should not go to the poorhouse. I am in favor of fixing this bill so that the wives and children of the soldiers who die there shall not go to the poorhouse either. [Applause.] And one of the most pleasant recollections of my life is that I have kept a good many old soldiers and their widows out of the poorhouse and made their declining days happier and more comfortable. [Applause.] Suppose it does increase their pay? It is not going to hurt anybody.

There is another thing about insurance. I am neither a prophet nor the son of a prophet, but I believe as firmly as that I must die some day that in less than 10 years from now everybody is going to be insured under the law. In some countries they have that kind of insurance now, and it is on a philosophical basis, to keep widows and orphans from suffering, and to keep men who are crippled in the various dangerous occupations of life from coming to want; and I believe that if there has ever been a bill introduced in this House that all right-thinking Americans, without respect to political or religious affiliations will endorse, it is this insurance bill that is pending here now. [Applause.]

A Christmas Card for Poor Old Dad
MR. HUDDLESTON, OF ALABAMA. Mr. Chairman, I wish to be recognized.

I do not want to throw any "sob stuff" into this discussion, but I feel like it is my duty to

call attention to the discrimination against the lack of regard for justice to parents of soldiers shown by the eminent sociologists who write this bill.

Under this article the helpless, destitute, and dependent father of the soldier who loses his life on the battlefield will not receive a solitary penny, but will have to go to the poorhouse. That is the situation under this bill as it now stands. The gentle-souled sociologists, whom I love so much, are usually rather sentimental fellows and are usually given to indulging human emotions, but it seems when they strike the note that bears upon the sacred relation between the parent and child their emotions drop dead and they fall back on the cold, hard basis of the public welfare and rest on it alone.

Of course, everybody expects a father to be soaked. Poor, old "father." Of course, he is entitled to no recognition, he has no rights that anyone is bound to respect. The fact that he has loved his boy and toiled and sweated to raise him and school him as a staff and support in his old age, all that is nothing, of course. But who would have expected these public-minded sociologists to soak poor old "mother" as well? Yet we find that "mother" has been discriminated against throughout this bill in favor of the wife. Not only has she been sent down into the valley of the shadow of death to give existence and life to the soldier, not only is that heroic creature to be made second to the wife whom he has chosen, but she is made to be second to the wife whom he has discarded and obtained a bill divorce from. Under the provisions of this bill there is no obligatory allotment for the support of a destitute and dependent mother. Not only are they going to leave the destitute and dependent mother, perhaps sick and bedridden, without a single cent of obligatory allotment, but they prefer the divorced wife over her and require the soldier to support her even though he does nothing for his mother.

Making Wives Equal Before the Law
MR. BLACK, OF TEXAS. Let us see how absurd this article 3 really is. Set your imagination to work and imagine standing here before us to widow and two children of a private soldier. Standing also here by their side are the widow and two children of a captain. Standing over here still farther are the widow and two children of a colonel. And at the end of the line are the widow and two children of a brigadier general. The husbands of these widows and the fathers of these children have fallen upon the far-flung battle fields of Europe. And after their death here comes along old Uncle Sam with his kindly old face, arrayed in the Stars and Stripes, which stand for liberty, equality, and justice, and he stops before the widow and two children of the private and says: "Under this law, Madam, I am permitted to give you a check for yourself and these two children in the sum of \$50. It may be, and probably is, true that you are just as refined and educated and just as worthy in your life as the widow and two children of a brigadier general who stands at the far end of the line, but I must give you only the check for \$50. And then he passes on that way, stopping before the wives and children of the captain and the colonel, giving to them their different checks, until he gets over here to the wife and children of the private soldier, and he bows and says: "My dear Madam, it is true that you are refined and educated and worthy in every way, but I am bound to admit that you are not any more refined and educated and worthy than the widow and the two children of that private soldier that stands at the head of the line. The United States, the chosen representatives of the people, I turn over to you a check for \$200 per month." The proposition is absurd on its face and surely will not find acceptance here. [Applause.]

Nine thousand motor tractors, 8,000 of American make, have been ordered by the British Food Production Department to carry through the scheme to add 2,000,000 acres to the arable land of the country in time for the harvest of next year. Manufacturers have now shipped, nearly 2,500. Delivery of total of 9,000 is expected by April 1.

Since Congress Drew the Sword

(Continued from page 8)

\$50,000 invested in a retail business to which he devotes his time may be decided to have only a nominal capital when the returns reach \$10,000 a year. Such interpretation would materially lessen his tax. Besides, such a computation as the estimate for a man in a professional partnership must proceed upon some assumptions, such as that a partner will be allowed to deduct from net income his share of the partnership's excess-profits tax.

The computation for a typical case, involving an individual income large enough to bear different "normal" taxes and surtaxes will be somewhat as follows:

Income from professional services.....	\$40,000	
War excess profits tax on amount over \$5,000 (i. e., \$34,000 at 8%).....	\$2,720	
Income on which income taxes are computed.....	37,280	
Deduction for normal tax of September 8, 1916 for person who is married and has two children.....	4,400.00	
Normal tax of September 8, 1916.....	\$12,880 at 2%.....	657.60
Surtax of September 8, 1916.....	\$17,000 at 1%.....	170.00
Income taxes under law of September 8, 1916.....	827.60	
Deduction for normal tax of October 3, 1917.....	2,400.00	
Normal tax of October 3, 1917.....	\$14,880 at 2%.....	697.60
Surtax of October 3, 1917:		
1% on amount between \$5,000 and \$7,500.....	25.00	
2% on amount between \$7,500 and \$10,000.....	50.00	
4% on amount between \$10,000 and \$12,500.....	75.00	
6% on amount between \$12,500 and \$15,000.....	100.00	
8% on amount between \$15,000 and \$20,000.....	250.00	
12% on amount between \$20,000 and \$40,000.....	1,200.00	
Income taxes under law of October 3, 1917.....	2,400.60	
Total excess-profits and income taxes.....	5,958.20	
Income after payment of taxes.....	\$34,041.80	

Any exact computation of taxes to be paid by a particular corporation will take into account a number of items and elements, as is the case with a computation for an individual. As an indication of the general results of the taxes on income and excess profits some such computations as the following can be made for a company which has a present capital of \$100,000 and which has been earning at least ten per cent a year.

CURRENT NET EARNINGS	INCOME TAX	EXCESS PROFITS TAXES	TOTAL TAXES	PERCENTAGE OF NET INCOME
\$10,000	\$600	.....	\$600	6
15,000	850	600	1,450	9.75
20,000	1,100	800	1,900	13
40,000	1,716	11,400	13,116	32.75
50,000	1,950	17,400	19,350	38.71
75,000	2,550	32,400	34,950	46.61

Although, as has already been said, the war excess-profits tax amounts in reality to an additional income tax, it begins to appear as a true tax on war-profits when a corporation which earned an average of 9 per cent in the years 1911-1913 is able to show present earnings at a higher rate. For a corporation which has been earning more than 9 per cent, and which is now showing the same results, or even poorer results which are still over 9 per cent, the tax seems to be simply an impost on income.

The calculation for such a corporation as has been taken above, with net earnings in 1917 of \$40,000, is about as follows:

Current net earnings.....	\$40,000
Exemption (9% of capital plus \$5,000).....	\$12,000
20% of difference between exemption and 15% of capital (i. e., 5% of \$20,000).....	600
25% of amount between 15% and 20% of capital (i. e., 5% of \$5,000).....	1,250

35% of amount between 20% and 25% of capital (i. e., 5% of \$5,000).....	1,750
45% of amount between 25% and 30% of capital (i. e., 5% of \$5,000).....	3,600
60% of excess over 33% of capital (i. e., 60% of \$7,000).....	4,200
Excess Profit Tax.....	11,400
Income subject to income tax.....	28,600
Income Tax.....	1,716
Total Taxes.....	13,116
Net income after payment of taxes.....	26,884

Definition of Capital

BEFORE a computation involving capital can be made in any concrete case the capital itself must be ascertained. For this purpose the part of the law dealing with excess profits somewhat liberalizes the definition contained in the excess-profits law of last March, which is now repeated.



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This definition of capital leaves several questions for interpretation. For instance, there will be a question whether or not stock in another corporation is tangible property. With such questions the Treasury Department will attempt to deal, assisted by its Advisory Committee.

An Elaborate Law

THE references which have been made to the new revenue law are very incomplete. They merely illustrate the fact that generalizations are difficult, that the regulations which are to be issued later by the Treasury Department may deal with important questions and solve some of the prima facie difficulties, and that each taxpayer, individual and corporate, should study the law to ascertain its bearing upon his own situation.

Our Banking Power

IF government loans in the billions and taxes that run into more billions are to be handled without unpleasant disarrangement of ordinary business facilities our banking power must be ready for instant service on a large scale. The Federal Reserve system is our medium for making possible and governing these operations. As part of our preparation for the tasks before us, legislation was enacted on June 21 for development of the system, largely by increasing the concentration of reserves in the hands of the federal reserve banks and by putting the law in such form that trust companies and state banks could enter the system and at the same time have assurance that they could continue to exercise all the powers and rights granted to them under state laws.

When these amendments of the Federal Reserve Act became law the resources of the federal reserve banks aggregated \$1,412,000,000. On October 26 they had risen to \$2,528,000,000. On June 15 gold reserves of these banks were slightly less than a billion dollars. Now they are a billion and a half, or pretty nearly half the country's stock of gold.

The system has also been strengthened by entrance of an increased number of banks and trust companies organized under state laws. On October 19 there were 102 of these banks in the system; they had total resources of two and a half billion dollars. At least 58 others had taken action toward entering. The support which can be given to the federal reserve system by state institutions appears through the circumstance that the twenty thousand of them hold upwards of half the banking power of the country.

Other Legislation

ATTENTION has been given here only to the fundamental questions of government expenditures and revenues, and of mobilization of the banking power which must be behind the government's fiscal operations. Other legislation took a wide range. Not only was there provision for raising armies, equipping them, taking care of soldiers' and sailors' dependents, compensation for injury received in military or naval service, and construction of airplanes and steamships, but other legislation made possible the Food Administration, the Fuel Administration, censorship of foreign mails, the Alien Property Custodian, the War Trade Board, with its bureaus on export restrictions, import restrictions, and enemy trading, (and a doorman as imposing in livery and brass buttons as any factotum in Washington), a Priorities Committee to apportion transportation facilities, and a reorganized Interstate Commerce Commission.



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Civil Rights Bill

SEVERAL measures which relate to the war, or to the conditions which will follow its conclusion, did not pass. They may be expected to come forward for discussion in December.

For instance, a "stay" law for the protection of persons serving in the armed forces of the United States passed the House but did not come from committee in the Senate. This sort of legislation has already been enacted by at least nine states. Sometimes these state laws protect men in the military and naval service from suit; occasionally they suspend tax laws; and the Maryland statute not only protects persons in the armed forces but, foreseeing the occurrence of emergencies during the war, it authorizes the governor in his discretion to proclaim successive legal holidays, thus putting into effect a real moratorium for everybody in the Commonwealth.

In order to protect the interests of men in the armed forces regardless of the part of the country from which they come, the judge advocate general's department in the Army cooperated with representatives of the Council of National Defense in drafting a bill. As to suits in the courts this bill gave much discretion to judges. It delayed possibility of eviction of dependents of soldiers or sailors for non-payment of rent, proposed that if installments had been paid on a purchase price there should be no forfeiture on account of non-payment of

further amounts due, furnished a means for preventing sales of property for non-payment of taxes, and contemplated prevention of prejudice through foreclosure of mortgages.

Life insurance was one of the most difficult subjects with which the authors of the bill had to wrestle. As the bill now stands, its provisions would not apply to policies which become void or voidable when the insured person enters military service, etc., but if premiums were not paid on other sorts of policies by men in the armed forces, the government would deposit its bonds with the insuring companies as security, the policies would then be kept in force, eventually after the end of military service the insured would be given an opportunity to pay the premiums, and the companies and the government would finally balance accounts, the government getting returns from the value of the policies which are cancelled.

Cooperation in Export Trade

THE bill which would permit cooperation in export trade likewise failed to pass, although it once more received an overwhelming vote in the House and got to the head of the Senate calendar. On December 3 it will be the Senate's unfinished business, if it does not again get displaced.

Price-Fixing

THE most important bill which deals with prices, and failed to pass before October 6, refers to iron ore, iron, and steel products.

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The prices which have already been announced by the War Industries Board rest on agreement, so far as prices to the public are concerned. The pending bill, which is before the Senate Committee on Interstate Commerce and regarding which the Federal Trade Commission has already submitted its testimony, would give authority of law for determining the prices for the public. This bill may be earnestly advocated; at the same time, it may be merged in some proposal of broader scope.

Altogether, when Congress meets in December it will find some interesting questions immediately at hand for prompt solution.

Making the Railroads Over

(Concluded from page 18)

words, although it adopted steel as the standard construction for its freight equipment several years ago, it is to-day building its new cars of wood as far as possible, even to certain portions of the underframes. The center-sills of these car frames are still fabricated of steel. For it is here, as every railroader knows, that the car gets the hard pull and thrust of regular service. But with this factor strong and ready, the new wooden car is a bulky carrier—far, far ahead of the best of wooden cars at the time they began to go out of railroad fashion.

THIS is the record of rolling stock progress upon the railroads of the land—your railroads, you will remember. It is a record for which no railroader, no real American outside of that great business, need feel ashamed. True it is a record of obstacles, as well as of triumphs. And all the obstacles are not to be found in the maintenance of their bridges, of cars and of locomotives. For one thing, the railroads to-day are 80,000 men short in their track maintenance forces—and sooner or later they will have to overcome this great labor shortage. But, that, as Mr. Kipling probably would have expressed it, is quite a different story. The main thing remains. The railroads are still in service. Despite numberless minor difficulties they have conquered the chief one—and their lines are still open and measuring to their task. Your railroads are still standing.

Penny-Wise by War

(Concluded from page 15)

offers, a United States Government Bond which is an asset bound to serve the holder for many years to come.

Finally, a most important consideration in the participation by all the people in this habit of saving, and of investing their savings in government securities, lies in the fact that the whole people are thus educated to the purchase and ownership of securities, thereby giving hope that our government and our great industries in the future may be even more democratized than to-day; that the number of investors in the securities of our government and of our railroads, our public utilities and of our industries generally, will be so increased that no man, woman or child in the country will be without direct and vital interest in our governmental and business institutions.

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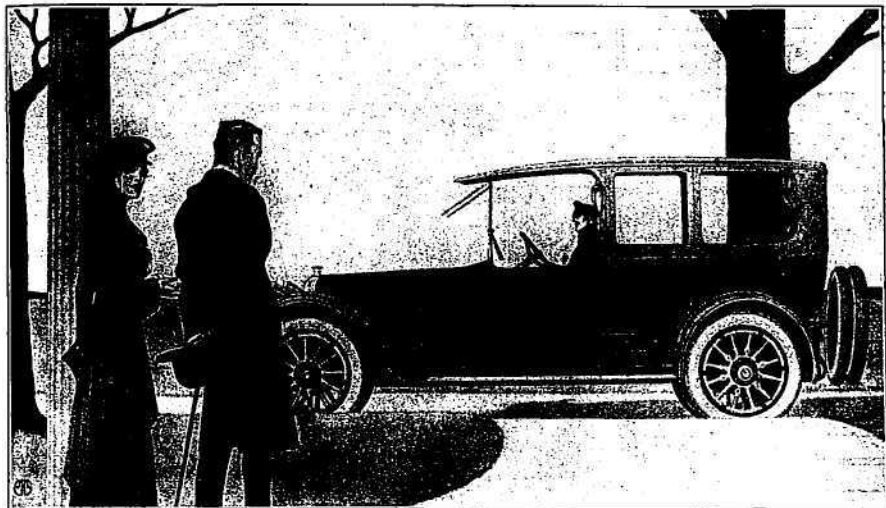
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